20c MAY 28, 1951

New Republic

THE PRICE CONTROL STORY

"It sure ain't Santa Claus"

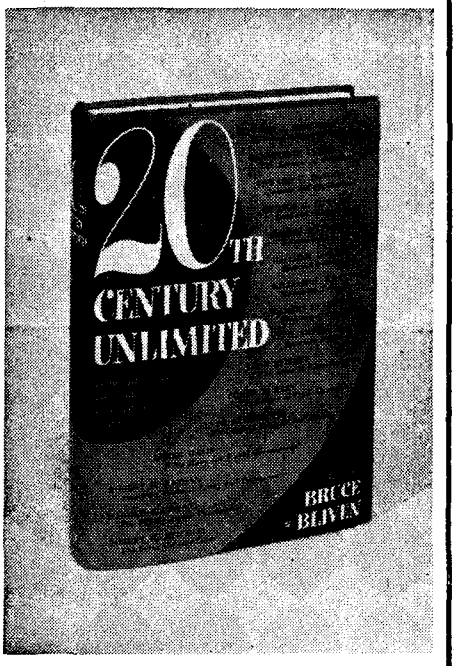
LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

How far has America come in fifty years?

What does the future hold?

20TH CENTURY UNLIMITED

EDITED BY BRUCE BLIVEN



Here is an authoritative summary by sixteen leaders in American thought of man's progress at mid-point of our century of revolution. In contrast to the many disillusioned and confused thinkers who despair of our world today, *Twentieth Century Unlimited* presents a balanced, clear and generally optimistic analysis of the most important aspects of human activity.

From Bruce Bliven's clear-minded and clear-eyed introduction to the final essay the book maintains a consistently high level of thought and presentation. Here, in permanent form, are many articles that have appeared in the *New Republic* in a collection that makes a valuable addition to the library of anyone who is seriously concerned with the future of our world.

"The level of interest in the essays of *Twentieth Century Unlimited,* from Mr. Bliven's introduction to Clyde Kluckhohn's concluding essay . . . is high. The writers all know what they are talking about and they write good, straightforward, journalistic prose."—*Crane Brinton* in *The Saturday Review of Literature.*

"This volume at mid-century puts a floor under hope and provides a ceiling for despair. My own small offering of optimism is *ad hoc:* that this splendid symposium end all mediocre symposia and left-over articles, and initiate a half-century of more and better pooling of more and better hope."—*T. V. Smith* in the *N. Y. Times Book Review.*

THE CONTENTS

Introduction	BRUCE BLIVEN
American Politics in Transition	HOWARD J. McMURRAY
The Advance of Medicine	MARGUERITE CLARK
Science and Civilization	EDWARD U. CONDON
Food and the Future	GEORGE R. COWGILL
American Art	FORBES WATSON
How the Writer Lives	MALCOLM COWLEY
Education Takes Stock	WILLIAM H. KILPATRICK
Problems of Population	WARREN S. THOMPSON
American Music	CECIL SMITH
The Atom in Peace and War	LEON SVIRSKY
The Future of Trade Unionism	PHILIP MURRAY
Mid-Century Manners and Morals	CLYDE KLUCKHOHN
What Hope for World Government?	ELMER DAVIS
American Business Today and Tomorrow	ROBERT R. NATHAN
The People Amuse Themselves	HAROLD CLURMAN
The Future of Our Cities	ROBERT B. MITCHELL

THE NEW REPUBLIC, 40 East 49th Street, New York 17, N. Y.

Kindly send me.....copies of TWENTIETH CENTURY UNLIMITED, Edited by Bruce Bliven, price $3.50 each. I enclose my check for ..... ☐ Please charge to my account.

Name.....

Address.....

5/28/51

"What happened to THE BANDWAGON?"

This question, repeated in letter after letter, convinces us that we should never have allowed that contributor's column of ironical, revealing, pinpricking news items to be pushed out of the magazine by the pressure of more sober matter. We are now restoring it—in a special spot of its own—and we rely on you, the readers, to supply us with the material to keep it going.

What is a *Bandwagon* item? Difficult to define, but here are a couple of examples that should give you the idea.

Pot Luck

"And while we're on the subject," said Ouida [Mrs. Basil Rathbone], "I'd like to correct the notion that I used to throw the most lavish parties in Hollywood. According to the fan magazines, some of my parties cost as much as $25,000. It's absurd. . . . No party I ever gave cost more than five or six thousand dollars."—*From* Cue.

Requirement for Residence

False names are to be used by two students for a debate on the Communist party to be held in the Trinity College Chapel. One student plans to continue to visit the USA, the other to make his home there after graduation.—*Canadian University Press dispatch from Toronto.*

$2.00

For each item used $2 will be paid to the contributor. To start earning this extra money send your items NOW! Address BANDWAGON, care of the *New Republic*, 40 East 49th Street, New York 17, N.Y. Please enclose the original clipping with your letter.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

New Republic

CONTENTS FOR MAY 28, 1951

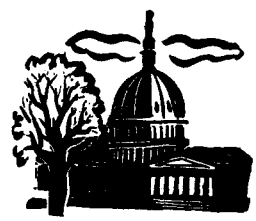
5 Has Acheson Surrendered? An Editorial
7 The Week:
7 Educating the Army
7 McCarran's Ex-Reds
7 Shipments to Satellites
8 Schools for Doctors
8 Profit Forecast
8 Oil Pressure Mounts
9 History Upholds Bradley
10 Outside America
11 Price Control: A Critical Review, by Louis J. Walinsky
16 A Journey Through Korea, by "Ysobong"
18 Harold L. Ickes
19 Books:
19 Peking Perspectives, by Benjamin Schwartz
19 The Body of Korea, by Nathaniel Peffer
20 "Neurosis and Human Growth," reviewed by Meyer H. Maskin
21 "Troubled Sleep," reviewed by Jacques Le Clercq
21 The Best-Laid Plans, by Anthony Netboy
22 On the Air
23 Theatre

EDITOR: Michael Straight
EDITORIAL DIRECTOR: Bruce Bliven
PUBLISHER: Daniel Mebane
ASSOCIATE EDITOR: Helen Fuller
ASSISTANT EDITOR: Elizabeth Huling
REPORTER: Jean Begeman
CONTRIBUTING EDITORS: Malcolm Cowley, John Farrelly, Harold L. Ickes, Joseph P. Lash, Max Lerner, James R. Newman, Gus Tyler
DEPARTMENTS: Robert Hatch (Chief), Cecil Smith (Music), Saul Carson (Radio and Television), Harold Clurman (Theatre), Lincoln Kirstein (Fine Arts)
COPY ASSISTANTS: Marjorie Stanley, Lucille Davis

PUBLISHED WEEKLY AND COPYRIGHT, 1951, IN THE U. S. A. BY WESTBURY PUBLICATIONS, INC., PUBLISHING OFFICE 301 N ST., N. E., WASHINGTON 2, D. C. EDITORIAL AND BUSINESS COMMUNICATIONS SHOULD BE ADDRESSED TO 40 EAST 49 ST., NEW YORK 17, N. Y. ENTERED AS SECOND-CLASS MATTER SEPTEMBER 26, 1950, AT THE POST OFFICE AT WASHINGTON, D. C., UNDER THE ACT OF MARCH 3, 1879. SINGLE COPY, 20c; YEARLY SUBSCRIPTION, $6.50; CANADA AND FOREIGN, $7.50. PRINTED IN THE U. S. A.

WASHINGTON WIRE

THE MAN on Main Street, who is competently kept well behind the trends in Washington with the aid of his local GOP newspaper and *Time* magazine, is just now discovering that the MacArthur controversy was less simple than he supposed. The counter-testimony of Marshall and Bradley has left him anxious and confused. In another two weeks he will discover between the lines of his paper that the GOP is taking a licking. Republican leaders, of course, already know this. They have consequently turned to the time-tried "constitutional issue" to rescue them.



Congressional investigations run a cycle. First, the investigation is largely factual; then partisanship increases; then comes the big whoop-la, and finally a majority and minority report. Senate GOP leader Wherry told Senator Wiley, angrily, the other day to speed up hearings: the idea of keeping Marshall on the stand seven days when MacArthur had only three! All those seven days anti-MacArthur testimony was pouring out to the public. At this stage the GOP agreed to a limitation on questions (which they bitterly opposed at first). But behind Marshall and Bradley come the other three members of the Joint Chiefs of Staff. MacArthur, you see, let the GOP down. He fooled them into thinking the JCS would support him, whereas they are unanimously against him. This leaves an indeterminable prospect of anti-MacArthur testimony stretching ahead. It was in this situation that Wiley (R, Wis.), a Senator so light-weight that he practically floats, blundered in. The rule is, "When things get desperate in an investigation appeal to the constitutional issue." Wiley played the gambit too soon. He made the impossible demand on Bradley that he repeat confidential discussions with Truman, then cried "white-wash" and "iron curtain." This was all quite regular in Washington, but the move should have been held back for Acheson, who is the real target of the GOP. Wiley's proposal to cite for contempt the popular Bradley, top American military official, was too silly for even the pro-MacArthur Scripps-Howard papers. It would have been a wonderful device with which to torment Acheson. Secretly the Hearst-McCormick papers are grinding their teeth over poor old Wiley.

Senator Taft is running actively for President. National GOP headquarters favors him. At their Tulsa conference, the Republicans gave him a present in picking Chicago, where Taft will have daily Chicago *Tribune* support, for the convention city in 1952. The Dewey forces oppose Taft, of course, and Taft himself seems to be growing reckless. It is 1952 or never with him. On April 27, in a Senate speech, Taft said that he had lost faith in the integrity of the JCS and urged expansion of the Korean War; on May 13, before the US Chamber of Commerce, he attacked the Administration again but this time for wanting to build up such a big army! Last Saturday, Taft was at it again, denying any inconsistency in wanting a bigger war with a smaller army, and showing his same fine sense of irresponsibility by handing delighted Moscow a superb bit of anti-American propaganda: the cynical Taft declaration that it is cheaper to fight a war with somebody else's troops. We feel that Taft is a dangerous man.

It will be interesting to see what the Senate Elections Committee digs up about Taft's 1950 campaign expenditures in the hearing starting here Wednesday. Nobody doubts, of course, that he was re-elected; but how much money did he spend? Vague corrupt practices laws limit individual contributions to $5,000 for any one campaign fund and total expenditures by the candidate to a theoretical $25,000. In 1926, the Senate denied seats to Frank L. Smith (R,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Ill.) who spent $459,000, and to William S. Vare (R. Pa.) who spent $786,000 in the primaries alone. How much was spent for Taft?

Truman seems more confident recently and has started making aggressive extemporaneous speeches of the type that got him elected in 1948. In August, he will probably make a rear-platform tour out to California. Will he run in '52? The best bet is that he himself doesn't know. Forces for it: Desire for vindication and his obstinate desire to "show 'em"; forces against: his age (67) and the opposition of Bess and Margaret. We guess that the latter will win. But we are certain of one thing: if Harry doesn't run himself, he won't be able to name his Democratic alternate, and the party convention will be wild and wide open.

The State Department, with national MacArthur influence waning, is apparently engaged, paradoxically enough, in flowing over to the MacArthur policy. It is taking a "firmer stand" on China, which seems to be insistence on keeping China out of the UN, threatening to bomb Chinese cities after all, and preparing to pal around again with the discredited regime of Chiang Kai-shek, on Formosa. Assistant Secretary of State Dean Rusk is talking about possible intervention in China.

Strapping, teetotaling, multi-millionaire oil man Bob Kerr of Oklahoma has done a good job for the Administration in meeting the MacArthur thrust almost alone in the Senate; now the question is, will the grateful Administration pay Kerr back by giving him what he wants, oil-tax concessions and the return of the fabulously rich off-shore oil lands to the states after the fight seemed won for federal control?

Quotation of the week (Truman, extemporaneously, on Armed Forces Day): "Think, think, think what a responsibility your President faces in a situation of this kind. If you would think, and think clearly on this subject, you would get behind me and help me to win this peace."

Washington T.R.B.

CORRESPONDENCE

How To Clean House

SIR: I shall read the *NR* as long as it continues its liberal trend and does not develop even the slightest semblance of "giving in" to McCarthy insanity in order to gain "respectability" among certain groups.

The proper way to defeat Communism, it seems to me, is not by bullets, but by *forcing economically* such countries as Spain, Greece and Italy to democratize their countries instead of our going along with their Fascism; also to clean house in our native land. . . .

Hitler came to power under the guise of fighting Communism and our native Fascists are well under way. . . .

Williamstown, N. J. B. B. WEISS

An ADA Contributor

SIR: Just a note of encouragement to you. (For who under heaven needs encouragement now more than liberals?) A plea for funds to fight McCarthyism at home and MacArthurism in foreign policy came the other day from the Americans for Democratic Action's president, Francis Biddle. I put the letter aside, intending when I got around to it to send $5 or to be real generous and send $10. In the meantime I picked up the *New Republic* for April 23 and read it—all about that awful MacArthur. Today my check goes to Francis Biddle for $100! My husband says my *New Republic* has become quite expensive!

MARY LYNN ARMISTEAD

Redondo Beach, Calif.

Dr. Wilson's Convicts

SIR: Despite the words of praise of Dr. Wilson's *My Six Convicts* in his review published in the *New Republic* of April 23, Mr. Fishman fails to do justice to Wilson's book. . . .

Mr. Fishman accuses Dr. Wilson of naïveté, sentimentality and distortion. It is naïve of a professor of psychology not to know in advance that convicts in some respects are like other mortals. . . . In reality, Dr. Wilson *is* amazed, after three years of it, to find that prisoners *remain* so nearly human after prolonged frustration of every motive which makes life worthwhile. . . . The reviewer flatly denies that some of the incidents which Dr. Wilson recounts as truth *could* have happened. His proof is not documented; as far as the review reveals, he didn't take the trouble to investigate Fort Leavenworth during the period when the study was made. Over against Dr. Wilson's concrete narrative he opposes his unquestionable authority as penologist.

Mr. Fishman thinks it important to note that Dr. Wilson had no experience with "criminal society" before he undertook the assignment. Other readers will judge that a mature mind free of preconceptions has an advantage in this kind of investigation. A man with power of analysis and interpretation who likes people and works happily with them over a span of years is likely to see facets to which inspectors of prisons and professional penologists are blind.

ERNEST L. TALBERT

University of Cincinnati

SIR: Mr. Talbert thinks I was too hard on Donald Wilson's *My Six Convicts.* It seems to me, on the contrary, that I was not hard enough. Here are a few points that I have developed after further investigation.

Dr. Wilson claims to have spent three years at Fort Leavenworth; other sources suggest he was there only 20 months.

Dr. Wilson says he gave a psychological examination to Al Capone. There is no record that Capone was ever in either Leavenworth Prison or Fort Leavenworth Penitentiary.

Dr. Wilson says a prisoner was stabbed while in the prison yard. The official records contain no mention of such an incident. The same thing is true of the story of the expert safecracker let out of jail temporarily to open a safe.

Dr. Wilson speaks of an enclosed guard tower in the rotunda, and of the use of the dining-room as an auditorium. Neither of these things is true at Fort Leavenworth. Dr. Wilson describes an elaborate escape plot; there is no record of such an attempt at Fort Leavenworth. There was a somewhat similar incident at Leavenworth Prison in 1932, but no officer or doctor was involved or protected.

Dr. Wilson speaks of giving the Rorschach ink-blot test at Fort Leavenworth in 1930. I believe it is true that this test was not brought to the United States until five years later.

JOSEPH FULLING FISHMAN

New York City

Food for India

SIR: I must express a word of cordial commendation of Harold L. Ickes' contribution in the April 30 issue of the *New Republic.* Mr. Ickes concludes his admirable article with, "Let us give as Americans." I would alter the word "Americans" to just "human beings." This is not a question of geographical and racial boundaries. . . .

New York City N. L. LEHRMAN

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

VOLUME 124, NUMBER 22, ISSUE 1904, WASHINGTON, D. C. MAY 28, 1951

New Republic

HAS ACHESON SURRENDERED?

GENERAL MACARTHUR'S revolt was cast in military and political terms. His military proposals have been beaten because General Bradley chose to fight back. His political proposals are winning because Secretary Acheson is choosing to surrender without a fight.

That choice at least is foreshadowed by the abject echo of MacArthur's line uttered by Dean Rusk, Assistant Secretary of State for Far Eastern Affairs. Rusk threw in the towel at a banquet of the China lobby, presided over by Henry Luce. He declared:

> The Peiping regime . . . is not the government of China. . . . It is not Chinese. . . .
>
> We recognize the National Government of the Republic of China. . . . We believe it more authentically represents the views of the great body of the people of China, particularly their historic demand for independence from foreign control. That government will continue to receive important aid and assistance from the United States.

Rusk's first point is sheer arrogance; the second is sheer nonsense and he and Acheson know it unless their self-delusion is complete. Senator Taft called the speech a complete reversal of policy and an acceptance of MacArthur's line. For once Taft is right. This surrender isolates America at a time when the free world was moving toward agreement on Asian policy; it immeasurably strengthens the Chinese Communists at the moment of their greatest crimes.

The Communists took China with a smile. They assured a weary people that the days of oppression were over. They promised forgiveness to all who confessed their past mistakes. Now, as this magazine foresaw, they are going Stalin's way. Those who confessed and thousands more are being shot and hanged.

Communist newspapers report 719 public executions just prior to the May Day celebrations in three cities bordering on Shanghai.

The Communist New China News Agency reports 367 public executions in Nanking on April 29, 293 in Shanghai on April 30, 50 in Hankow on April 30, and several hundred on May 12 in 23 Manchurian cities.

Communist radio stations throughout China multiply these accounts day by day, reporting perhaps one in a hundred of the executions that are taking place.

This bloodletting has been carried out in spectacles worse than any staged by Hitler and Franco. Communist sources announce that a mob of 10,000 watched the mass executions on the Shanghai racetrack; that 40,000 attended the executions in Nanking; that 110,000 participated in Hangchow; that 600,000 watched the ceremonies and killings on four execution grounds at Mukden and that in Sinkiang 80,000 were brought to witness the trial and death of one guerrilla leader. The Communist radio speaks of the "tremendous applause," the "great delight of the people," the spontaneous efforts to mutilate the corpses, the parades, the dancing and the revelry that accompanied the slaughter.

Communist radio stations report further the organization of "extermination committees"; the construction of secret letter boxes in every village for anonymous informers; the growth of the secret police; and the success of "anti-bandit" campaigns resulting in the liquidation of 30,000 "bandits" in South China, 62,535 in Kwangsi, and the capture or killing of 372,000 "bandits" in Kiangsi.

The extent of this repression reflects a general disillusionment with the Communist regime. Its public nature suggests a desire to use the repression to instill the maximum terror, intimidation and sense of shared guilt among the Chinese people. Yet this outburst does not prove that the regime is about to break. On the contrary, it is an indication of strength, confirming simply that the regime now has the means of oppression that it lacked a year ago. It represents a precautionary measure in crippling a potential opposition before China is involved in new expansion, or all-out war, and before the economic and human impact of the Korean War is felt in full force. It reflects the growing influence of Stalin, for whom purges, in Russia and in Eastern Europe, are standard procedures in assimilation. Its historical counterpart is the suppression of the democratic opposition in Russia in 1921. That move earned popular hatred, but it also consolidated the Communist Party as a dictatorship, ruling by unlimited force, through unlimited fear.

Only by overthrowing this regime can China pursue again her national destiny. How is its overthrow to be brought about? MacArthur's military proposals for a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

military solution in China have been rightly laid aside. His political plan, to which our government is surrendering, is for the United States to re-enter China's civil war, binding our cause to the cause of Chiang Kai-shek, and pledging him unlimited aid. MacArthur testified:

> To the average Asiatic Chiang Kai-shek stands out as the great symbol against Communism. I believe that everyone has a sense of respect for the Generalissimo in the Far East. Those that are inclined toward Communism oppose him completely and absolutely; but he does stand as a symbol of an invincible determination to resist Communism.

This view accords with MacArthur's belief that anti-Communism is the central conviction of Asia, and that the Oriental respects authority and force. If this view prevails all Asia may well be lost. For the truth is of course that Asia is not anti-Communist; that it is in revolt against force and domination exerted by white men, and that it holds nothing but scorn and contempt for the bankrupt and servile remains of the Kuomintang.

The Government of Formosa without question is now decent and well run. But China and all Asia scorn Chiang Kai-shek, not so much as a tyrant, but as a puppet, who sank into total dependency on the United States. They hate him for his willingness to act as a colonial mouthpiece for the United States. They look on US aid to Chiang Kai-shek as evidence of our intent to restore our imperial influence. So when we buy support on Formosa, we lose support throughout Asia.

If MacArthur's policy is fatally wrong, what is the right political policy for China? At heart it must be to allow no short-term actions to undermine our long-range policy laid down by John Hay of defending the integrity and independence of China.

That is the only policy that can regain the friendship of the Chinese people for Americans, and to the extent that we betray that policy we shall perpetuate the Chinese Communist regime.

The reason that the hard truth of Acheson's former policy is being abandoned for the pleasant fiction of MacArthur's present program is that MacArthur holds out a quick if specious hope. Is there real hope in an alternative program which impatient Americans will accept?

To the extent that Mao Tse-tung based his regime on nationalism there was hope once that he might break with Russia. That hope now seems forlorn and talk of Titoism in China is illusory. Mao has made himself far more dependent on Russia than Tito ever was and he seems likely to go down with Stalin. If a break comes in China it will come through a division within the regime. It will not come by making life easier for Mao at a time when he is giving in to all Russian demands. It will come when Mao's policies lead to a dead end. At that moment there are elements in the regime that will break. Many field commanders, mayors and governors owe less than full loyalty to Mao. The defection of one or more field armies in South China could be the beginning of the end.

The greatest weakness in the nationalist movement in China is the lack of any focal point of leadership. There are two million guerrilla fighters in China. According to a wise observer, A. T. Steele, "Only a fraction of the mainland guerrillas are taking orders from Formosa." Neither they nor important nationalists who still hold power, like Yeh Chin-ying in Canton and Chen Yi in Shanghai, can rally to Chiang Kai-shek.

Our hope lies in the rebirth of Chinese nationalism. It will not be reborn because of Acheson's assurances to the Senators that we are noble and Russia is wicked.

First, it requires specific assurances that we have no territorial, strategic or political ambitions on Formosa.

Second, it requires the disengaging of the United States from Chiang Kai-shek who could not even hold power among the Chinese let alone the Formosans on Formosa without our support.

Third, it requires the encouragement of a third force in China.

The attractive power of this third force is immeasurable. Its presence would provide the great incentive to revolt in China that is lacking today.

This revolt is vital to China and to all the world. But there is a limit to our ability to bring it about. The new national movement can only come from within China, backed by the Chinese and responsible only to them. The United States can aid this new nationalism if it seeks aid, but we cannot initiate it or take responsibility for it without destroying its nationalist roots. For once it becomes dependent on a foreign power, it will fail as the Kuomintang failed. The Chinese people, while they are anti-Soviet, are not pro-American. They will be less anti-American than anti-Soviet only if we demonstrate in action that they alone can overthrow Mao Tse-tung.

That is the policy America must follow. If Acheson and Rusk will not fight for it, they should turn over their posts to men who will fight. For power is worth nothing if it is not properly used. We admit that support for the right policy is lacking. The liberals have been dispersed by defeatists like Paul Douglas. The CIO has no policy. The AFL, under the guidance of Jay Lovestone, has parrotted the press releases of Chiang Kai-shek. But somewhere a stand has to be made. Or, if MacArthur's disastrous policies are to be followed, MacArthur should bear the responsibility as Secretary of State.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE WEEK

EDUCATING THE ARMY

Low morale in the Army's training camps, due largely to the failure to provide competent teaching personnel and the fumbling of information programs, was hit last week by both the Senate Preparedness Subcommittee and the New York *Times*' education editor, Benjamin Fine. Both reports cited atrocious handling of the crucial task of telling green, young soldiers what the world conflict, American policy and their being in uniform have to do with each other. Instead of utilizing educated personnel to man the desks for the vital information work, the Army is treating it as a necessary nuisance to which it assigns its most incompetent men.

Continuing its practice of sending investigators to selected training camps, the Senate committee found the shortage of "instructors" crippling training in all Army camps. The instructing personnel was made up of "less desirables." At Fort Jackson, S. C., the commanding general himself pointed out that the cadre personnel were "not adequately trained."

While the shortage of all kinds of instructors is characteristic of Army installations, it is especially evident in the so-called "troop-information" programs, weekly sessions during which the men are supposed to be informed about current political affairs. The Army has thought this program so important as to budget 15 cents per year per man for it. The result, according to Fine, is that "one or two men are expected to handle the educational needs of an entire camp, running 30,000 or more troops. It just cannot be done. The results are plain to see. We do not have a well-informed Army. Our men do not know why they are in uniform."

Fine sat in on one "citizenship talk" given by a 19-year-old sergeant who was an undertaker's helper at home. In answer to the question "Why do we give other countries money?" he answered, "We got to keep the nations on their feet so we can sell to them later, so you guys can have a job when you get back to your civilian jobs." When he asked for discussion, there was "a sea of 250 deadpan faces," half of them asleep. Continuing his lecture on Congress, the instructor said: "It's your fault that you're here—because you don't vote. Some fellows vote three or four times but you don't even vote once."

Fine was hard put to find one adequate instructor in all the camps he visited. At Fort Dix he found one former education student at Rutgers University, who was enthusiastic about his job. But that was his last lecture. He had been reassigned to the Far East Command.

McCARRAN'S EX-REDS

Sen. Pat McCarran's long arm extended into the hearing room of the Subversive Activities Control Board last week when a government witness openly testified that he had repeatedly discussed the board panel's behavior with one of McCarran's aides in the Senate Subversive Activities Committee. The witness, ex-Communist Benjamin Gitlow, said that he had talked with Benjamin Mandel of the Senate committee at least four or five times in the course of the hearings. This disclosure bears out charges that McCarran is attempting to create his own subversive supreme court by continuing to withhold the Senate Judiciary Committee confirmation of the board members' appointments (see *NR*, May 9 and 16).

Panel chairman Charles LaFollette commented bitterly on overt interference in the board's work. "I feel pretty much the same about the witness discussing my conduct in the hearing room with Mr. Mandel under the circumstances," he said, "as I would if I were a nisi prius [trial] judge, in an elective office, and a political boss had the right to control my nomination."

Gitlow testified that he had spent an evening with Mandel and Joseph Zack Kornfedder, another ex-Communist who has followed him on the witness stand. LaFollette asked him: "Have you discussed with [Mandel] your opinion or evaluation of the conduct of any member of this panel during the hearing?" Gitlow replied: "I discussed the conduct of this case, I discussed the attorneys in the case, I discussed the members of the panel."

Mandel is himself an ex-Communist, who carried his Party card in the name of Bert Miller to protect his school-teaching position. He has since risen to notorious inquisitorial rank in the "subversive business." He was a senior employee of the House Un-American Activities Committee before McCarran recognized his abilities and brought him over to the upper chamber's new body. Gitlow testified that his own rewards are not limited to ideological satisfaction. He said the Justice Department was paying him $50 a day plus $9 per diem. His earlier appearances before the Rapp-Coudert and Dies Committees were gratis.

SHIPMENTS TO SATELLITES

New evidence of the shipment of strategic materials from West Germany to Soviet Union satellites was revealed to a special Senate Subcommittee on Export Controls and Policies last week (see *NR*, May 21). Kenneth R. Hansen, who was sent to Germany last month by committee chairman Herbert O'Conor (D, Md.) to investigate the illegal traffic in vital war materials from West German factories to the East, told the committee:

1. A ring of companies in West Berlin was shipping iron, steel, copper, tin and lead to Russian satellites during the past year. A number were arrested recently and will soon come up for trial. Hansen was told by a high American official that "representatives of 22 Ruhr firms are in West Berlin to quash that case." The firms were shipping the materials in full knowledge that the mate-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

rials were being transhipped to Russian satellites.

2. There has been a marked increase in shipments from West Germany to Communist China. In 1950, Hansen said, there was a 2,750 percent increase in that trade over 1948. One New York bank financed the shipment of $250,000 worth of motors and spare parts for a rolling mill to China from West Germany.

3. In January of this year alone, Military Police records list the following shipments to Czechoslovakia: 80,000 pounds of tool steel, 12,000 pounds of battery lead and 250,000 pounds of mine rails (believed intended for the uranium mines of Czechoslovakia).

4. A check of 89 separate shipments to East Germany showed that the orders made a complete boiler factory when assembled.

Hansen pointed out that although there are strict laws against smuggling materials across the Eastern border, there has not been one major prosecution in the past year. He criticized the West Germany licensing system which Allied officials turned over to the Germans last year. The big increase in licensing and shipments, he said, can be tied to the fact that export licenses are now issued by German banks which have a direct financial interest in encouraging exports.

SCHOOLS FOR DOCTORS

Despite the shortage of doctors, greatly emphasized by the military needs in the current crisis, a Commission on Higher Education has concluded federal subsidies to aid the country's medical schools would endanger "the intellectual heritage of freedom and diversity which characterizes American higher education." The commission, financed by the Rockefeller Foundation and the Carnegie Corporation, says that the 72 medical schools in the US spent $70 million to train students last year. A minimum of another $40 million a year is needed to cover operating expenses at present enrollment levels and even more money would be required to expand the physical facilities of the medical schools.

The commission surveyed 18 private and 18 public universities and found that from 20 to 30 percent of the teaching budgets go to their medical schools although medical students form only a small percentage of the total students, in some cases, as little as two percent. "Universities with little endowment," the commission states, "must divert income from fees paid by all students to support the medical schools, with serious consequences for the non-medical fields."

The commission's report makes no mention of the fact that the deans of 71 medical schools last year went on record in favor of some type of federal aid to medical schools. The commission states that "until it has been clearly demonstrated that other sources of support cannot finance medical education, we believe no such great and potentially far-reaching innovation in federal financing should be undertaken."

Among the "other sources" of support the commission recommends: more economies in medical schools through elimination of costly practices; payment of the full cost of research by foundations and other agencies supporting medical research; increased state appropriations through new tax revenues; and a private contribution by each physician of $100 a year to medical education (which, alone, would provide about $18 million of the $40 million needed).

Last week, the establishment of the National Fund for Medical Education was announced by former President Herbert Hoover. Sponsored by industry, labor, the medical profession and educators, the Fund hopes to raise a minimum of $5 million annually from private sources and to distribute this sum each year to medical schools. S. Sloan Colt, president of the Fund, admitted that the $5 million annually "will not completely solve the distressing financial problem" of our medical schools.

It is unfortunate that the Rockefeller-Carnegie Commission has rejected the federal aid - to - medical - education bill (S337) introduced by six Republican and six Democratic Senators. The program, estimated to cost $62 million annually, would give grants to medical schools to improve facilities and meet the costs of increased enrollments and would give grants to states to train practical nurses.

PROFIT FORECAST

Businessmen brought home A-plus report cards on profit gains during the first quarter of 1951. Some 617 companies showed average earnings increases after taxes of 23 percent over the same period last year. The mining and metals industries showed the biggest gain, 110 percent. Tools and machinery and petroleum products had over 50 percent increases. In 1950, net income of all manufacturing corporations was $12.9 billion—43 percent higher than 1949. If the first quarter increase is any indication, corporation profits this year should reach an all-time high of $15 billion after taxes.

OIL PRESSURE MOUNTS

The British are channeling all pressure at their command into efforts to muzzle the Iranian drive for oil nationalization. Their methods, which include the open threat of force, under ordinary circumstances would be deplorable as "imperialism." Given Iran's potential for touching off a hot war, it is tragic that the British did not make conciliatory offers earlier, and that US policy has been relatively sterile.

But what might have been regarded as the central issue—a backward country's revolt against foreign exploitation—must today be analyzed in terms of the greater struggle between East and West. Granting the principle of nationalization, it is necessary to assess the internal weakness of the Mussadegh Government, which has exploited hysteria without attempting to create a democratic political structure to carry on when passions decline.

In this context, the application of Western pressure is justified—if it is intelligently applied. Too much of it could obviously bring the Russians in all the quicker. To prevent such an outcome, the West must bring the Iranians to the conference table by an attitude which combines firmness with an explicit commitment to a nationalization formula. The West can afford to lose "face," but it cannot afford to lose Iran.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

HISTORY UPHOLDS BRADLEY

by Irving Brant

The Senatorial thunder against Gen. Omar Bradley, for refusing to tell Capitol Hill and Moscow what was said in a confidential White House conference, was not so tinpanny that it could be outrumbled in a laugh were it not for two facts:

1. Though decisively rejected, this attempt to override the Constitution is but little below the average level of irresponsibility and ignorance displayed by a sometimes dominant portion of Congress.

2. It is part of a general onslaught upon the Presidency which if successful would subvert our government and produce the kind of tyranny most feared by its founders.

As some Senators see it, the Joint Chiefs of Staff are advisers to the President, but this function was given them by Congress. Therefore Congressional committees can compel them to disclose the conversation that takes place in conference with the President. To this the reply was made in committee that such a rule would destroy the President by ending all confidential relationships. The President's independence in this respect was established in the administration of George Washington.

Bradley's defenders were right on both points, and their view prevailed. All this, however, fails to take the matter down to fundamentals and even creates a wrong impression about the original controversy. One would suppose that when the question first came up, Congress asserted a right similar to that claimed by the anti-Truman Senators, Washington rejected it and set the precedent.

It wasn't that way. The House asked for information. The President refused it. His opponents, who were in the majority, criticized the refusal, but *supporters and opponents alike admitted the right to refuse.*

The issue was created in 1796 by the House's call for papers relating to John Jay's unpopular treaty with England, which had been ratified by the Senate but needed legislation to put it into effect. Washington refused on the ground that the House had no part in the making of treaties and he knew of no constitutional use for the information by that body except impeachment. Representative James Madison, the opposition leader, replied (*Annals*, April 6) that the House had a right to judge whether it had valid reasons for *asking for* information. As to the *power to refuse*:

"He was as ready to admit that the Executive had a right, under a due responsibility, also, to *withhold* information, when of a nature that did not permit a disclosure of it at the time." Thus the President's paramount power on this point was established, not merely by Washington's action in refusing, but by the unanimous admission of his right to refuse.

The basic issue in today's controversy cuts deeper, and was foreseen and guarded against by the framers of the Constitution. Senators Wherry, Taft, Wiley, Knowland and Hickenlooper are actually striving, some of them in naive innocence, for legislative supremacy by encroachment—that subtle, creeping form of tyranny which the founding fathers dreaded more than they did the coming of a king. Concentration of power in the legislature, wrote Jefferson during the Revolution, "is precisely the definition of despotic government. . . . One hundred and seventy-one despots would surely be as oppressive as one." Those words were written about Virginia, but Madison quoted them in *The Federalist* (No. 48) to indicate what the framers of the Federal Constitution had in mind. In a hereditary monarchy, he went on, the executive is the source of danger, but in a representative republic the hazard lies in the legislative branch: "It is against the enterprising ambition of this department that the people ought to indulge all their jealousy and exhaust all their precautions."

The legislators, said Hamilton in *The Federalist* (No. 71), "seem sometimes to fancy that they are the people themselves and betray strong symptoms of impatience and disgust at the least sign of opposition from any other quarter; as if the exercise of its rights by either the executive or judiciary were a breach of their privilege and an outrage to their dignity."

The constitutional debates are replete with apprehension from this source, but it is enough to cite Madison's warning against a tendency, visible in the states, "to throw all power into the legislative vortex." If no checks were devised against this, "a revolution of some kind or other would be inevitable."

Last week the House voted 302 to 68 to override a Presidential veto. They were offended because Mr. Truman's veto message had referred, with good reason, to the tendency of Congress to invade the administrative field. How many of those who voted to override could state the main reason why the President was given the veto power? "The primary inducement," wrote Hamilton in *The Federalist* (No. 73), ". . . is to enable him to defend himself." Against what? Against "the propensity of the legislative department to intrude upon the rights and to absorb the powers of the other departments."

It was assumed in 1787 that at least one-third of one house of Congress would always be ready to uphold the Constitution and protect the country against legislative usurpation. Is that true today in either House or Senate? It is doubtful if one-third could get down to cases in a debate on the principles involved, which were familiar to readers of every four-page studhorse-advertising newspaper of the eighteenth century.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

OUTSIDE AMERICA

BEVAN'S DREAM WORLD

European liberals—in the American sense of the word—have long complained that American policy was going too fast and too far on too narrow a track. The essence of their complaint could scarcely have been better and more clearly stated than it was by Aneurin Bevan in his speech to the House of Commons explaining the reasons for his resignation from the Labour Government. He said:

> It has always been clear that the weapons of the totalitarian states are first social and economic, and only next military; and if, in attempting to meet the military effect of those totalitarian machines, the economies of the Western world are disrupted and the standard of living is lowered, or industrial disturbances are created, Soviet Communism establishes a whole series of Trojan horses in every nation of the Western economy. It is therefore absolutely essential, if we are to march forward properly and mobilize our resources intelligently, that the military and the social and the political weapons must be taken together.

Nor could the complaint of the European radicals be better stated than it was by Bevan:

> We have allowed ourselves to be dragged too far behind the wheels of American diplomacy . . . behind the anarchy of American competitive capitalism which is unable to restrain itself. . . . The fact is that the Western world has embarked upon a campaign of arms production—and upon a scale of arms production—so quickly and of such an extent that the foundations of political liberty and parliamentary democracy will not be able to sustain the shock.

For most European liberals—as opposed to the radicals—Bevan went too far. He spoke at a time when the Truman-MacArthur controversy, especially the size and the hysterical intensity of the welcome to the General, had brought home to the European Left the sobering realization that to many Americans — millions of them — their government's rearmament-first policy, as conducted up to now, had gone neither fast nor far enough. It may have been proper for him to reaffirm his faith that democratic Socialism is mankind's only hope. But when he said "we are not going to allow ourselves to be diverted from our path by the exigencies of the immediate situation," he was suggesting a reason for the weakness of Europe's doctrinaire Left—its unwillingness to budge out of a world of pure idealist intention uncontaminated by the exigencies of such unpleasant realities as the Soviet's conduct and attitude, as Red China's, as Korea and as the American controversy about where to go from there.

The real issues which now split the European Left are no longer Atlanticism as against defeatism and neutralism, or taking the risk of war as against a willingness to negotiate, or rearmament as against social and economic reform. The issues which weaken the European Left so much that it is able only to fight a rear-guard action against the rising forces, not of American "anarchy," but of the Trojan horses on the Communist Left and the reactionary cavalcade on the Right, are inflation, the standard of living, employment and raw-material stock-piling.

No matter who wins the debate in Britain, no matter which political party rules, there is little chance of any crumbling of the foundations of political liberty and parliamentary democracy—in England. Nor is there much chance of a bolt from the Atlantic Community—on the part of England. The danger of taking some of the wherewithal of America's industrial rearmament drive out of the current standard of living lies elsewhere. It exists most obviously in France, in Italy, in Belgium. And the fact that scores of thousands of workers in Northern Spain have literally risked their lives to protest against rising prices and costs shows that even the most dependable reactionary country of the West is not wholly immune to the danger.

It was not any shift away from the policies of the Atlantic Community that produced the slow-up in rearmament which made Ambassador Robert Murphy protest in Brussels and Ambassador Charles Spofford in Rome; it was fear of rising public wrath against the effect on the standard of living of an American Wilsonism that can, in its way, be as dangerous to the common cause as MacArthurism. Nor was it any burst of crypto-Communism that made Gen. Charles de Gaulle protest against the creation of American military bases in Morocco; it was an oblique way of telling the French workers that he too had grievances against the Americans.

In France the issue is not free eyeglasses and dentures. It is how to live on the money now coming in, let alone on less. It does not take more than elementary arithmetic, figuring the French franc at 350 or even 400 to the dollar, to understand the French worker's complaint. Here are some specimen wages: garage mechanic, 125 francs an hour; seamstress in a fashionable dressmaking establishment, 80 to 100 an hour; skilled metal worker, 136 an hour; post office clerk, 18,000 to 25,000 a month; university professor, 110,000 a month; high-school teacher, 62,000 a month. It takes a factory worker an hour's work to buy one pack of cigarettes, and nine hours' work to buy a cut of beef for a small family.

The spokesmen for American policy have complained that the Europeans would not co-operate; and now—in the language of both the English and the French *conservative* press—America acts as if she were "alone in the Western world." Logically, the effect should perhaps be to turn liberals into radicals, and radicals into Communists. But as Theodore Roosevelt said of the Americans in 1903, the French, the Italians and the Germans can be "queer, emotional and hysterical people on occasion." It is not likely that Italy's 1922 or Germany's 1933 will be repeated in the Europe of 1951, but the swing is toward the far Right—and for new kinds of trouble for the Atlantic Community—unless the Americans stop acting as if they were "alone in the Western world."

Paris PERCY WINNER

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

PRICE CONTROL: A CRITICAL REVIEW

by Louis J. Walinsky

THE Defense Production Act, which confers upon the President the authority to grant priorities and allocations, requisition property, take action to expand productive capacity and supply, control prices and wages, settle labor disputes and control credit, expires on June 30. The President has called upon Congress to extend the Act for two years, and to strengthen it in a number of respects. Of the control powers contained in the Act, it is the price-control authority which today stands in the greatest jeopardy of hostile Congressional action. A powerful combination of selfish economic forces—spearheaded chiefly by livestock growers, cotton and other big farming interests, and the Chamber of Commerce, and aided and abetted by their representatives in Congress—seems determined to cripple or seriously weaken the price-control program. There is a real danger that they may succeed.

The country must swiftly prepare to defend itself against this impending economic rape. To do this effectively, it must understand and be able to appraise intelligently why price control is in danger, how the price-control program has been working, why it has not worked better, and how it can be improved. If these things are clearly understood, price control will not only be retained—it will be strengthened and improved. This is the most immediately important task which faces the US.

Why we still need price control. Higher prices have already squeezed the living standards of millions of American families; increased by many billions of dollars the cost of the defense program; reduced by even more billions of dollars the value of savings and insurance policies; necessitated taxes much higher than would otherwise have been required; contributed to industrial instability; and aggravated seriously the economic difficulties of our Allies throughout the free world. Each one percent increase in the cost of living has reduced the buying power of America's consumers about two billion dollars per year. Since June of last year, this concealed taxation has reduced our buying power by some $17 billion per year—over $100 for every man, woman and child in America.

On June 25, 1950, the Communist forces attacked in Korea, precipitating a national emergency. The real "great debate" on how to mobilize our resources for the defense, and at the same time to prevent inflation, began. It is still going on and no doubt will continue for some time.

It was clear from the outset that inflation would have to be fought on a broad and comprehensive front, using both indirect and direct controls. Indirect measures necessarily included sharply increased yet equitably distributed taxes; curbs on the use of both consumer and business credit; vastly increased personal savings; curbs on the non-essential use of scarce materials in production and construction and similar measures. Direct controls necessarily included selective or general controls on all prices entering into the cost of living and the defense program, vigorously enforced.

While the immediate focus of our attention and energy is on these direct controls, we cannot ignore or underestimate the vital role of indirect measures in fighting inflation.

Since Korea, we have enacted two tax measures, increasing personal taxes once and corporate-profits taxes twice. A third tax measure is in the making. Credit curbs in the housing and consumer installment-purchase fields have been imposed. Voluntary measures have been called for, on the part of the banks, to restrict unnecessary business credits. The Federal Reserve Board and the Treasury have finally found a way to co-ordinate their policies so as to reduce the ability of the nation's banks to create credit. Non-essential production and construction have been subjected to some curtailment.

While virtually all these measures are subject to valid criticism on the grounds of too little, too late, and not quite fair, they have contributed to the anti-inflation fight. Further action along all these lines is still vitally needed to strengthen them, to make their burden fall more equitably, and to make them effective in time. Not until these indirect measures, and our direct price controls, promise to work effectively in stabilizing the purchasing power of the dollar, will it be possible to undertake successfully a large-scale campaign to increase personal savings.

Our review of what we have done by way of direct price controls must be more detailed and specific.

On September 1, a little more than two months after the outbreak of aggression in Korea, the Defense Production Act was passed. The President's Executive order creating the Economic Stabilization Administration and the Office of Price Stabilization was issued September 9, with Alan Valentine appointed as director of the ESA. Michael DiSalle was appointed director of the OPS only

Louis Walinsky is director of the Labor Division of Robert R. Nathan Associates in Washington. He has been economic consultant to the War Production Board and director of the Office of Economic Review and Analysis of the Civilian Production Administration.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

on November 30. On December 19 an appeal was made to American business to hold the line voluntarily on December 1 prices. Valentine delegated full authority to DiSalle to act on prices only on January 3, 1951. On January 26, the avowedly temporary general price freeze was instituted. Since that time, the OPS has been working furiously to build its organization and to convert the general price freeze into interim and specifically "tailored" price-control regulations in various fields of production and distribution. Among the more important regulations issued have been orders controlling retail soft goods (CPR 7), raw cotton (CPR 8), dry groceries and perishables (CPR 14-15-16), general manufacturing (CPR 22), cattle and beef (CPR 23-24-25), and machinery (CPR 30).

How well has price control worked thus far? If by this question we mean, how well both indirect and direct controls have worked since the Korean aggression, the answer must be that we have not controlled prices effectively. If we mean instead, how well direct price controls have worked since they were instituted at the end of January, 1951, the answer must be that they have not yet really been tested.

Since last June, the average of consumers' prices for moderate income families has risen about 8.5 percent—almost one percent per month. Of the various major categories of the Consumers' Price Index, food prices have risen over 11 percent, clothing prices some 10 percent, and rents some 3 percent. Wholesale prices have risen considerably more. The wholesale price average for all commodities has risen almost 17 percent. Of its major components, farm prices have risen about 22 percent, food prices over 14 percent, and non-farm, non-food prices almost 16 percent.

Since last January, when prices were frozen, increases in the price averages have slowed down considerably. The average of consumers' prices reflected in the CPI rose somewhat less than two percent from January to March. Food and apparel prices rose about two percent, and rents about one percent. The rise from February to March was negligible. Wholesale prices also rose something less than two percent on the average from January to April, with farm prices rising some four percent, food prices less than two percent, and non-farm, non-food prices about one percent. From February to April, the over-all wholesale price index was practically stationary.

This slow-down in the rate of price increases since February, however, cannot be attributed altogether to the effectiveness of direct price controls. The probability is that even in the absence of direct price control we would have had a very similar experience. Price increases during the June, 1950-January, 1951, period were primarily due not to economic forces actually then at work, but rather to speculative and anticipatory actions on the part of both businessmen and consumers who were trying to "beat the gun" on future price increases and future shortages. These actions helped run prices up far in excess of existing economic pressures. Once this "protection" was achieved in the form of accumulated stocks and inventories (and also in higher prices), a temporary price plateau had also been reached. There is every indication that the institution of direct price controls came just before or coincided with this economically determined price plateau. The action of prices since last January, therefore, gives no real indication of the effectiveness of the direct price controls inaugurated at that time.

In any event, we are concerned with both the effectiveness of price control since Korea and with the effectiveness of direct price-control actions since their inauguration. In retrospect, there have been a number of basic errors or weaknesses in our attempts to control inflation since Korea. These may be enumerated roughly as follows: (1) weakness, inequality of sacrifice and tardiness on the indirect controls front; (2) glaring loopholes and inequities in the price-control section of the Defense Production Act; (3) unpardonable delays in preparing to exercise the price-control authority; (4) the failure to roll back prices when general price control was finally instituted; and (5) the postponement of the application of profit controls in relation to price ceilings. Each of these basic errors or weaknesses warrants some examination here. Upon examination, we shall find considerable evidence of a chain reaction, with one error touching off another and compounding the damage.

1. Our tax measures—those already enacted, and those in the making—have not come fast enough; they have not attempted to raise all the money we needed; and they have not been properly distributed in terms of equality of sacrifice or ability to pay. The tax measures of last fall failed to eliminate many glaring loopholes in both the personal and corporate income-tax structures; in the excess-profits tax, a great many new loopholes were introduced. The 1951 tax measure now in process, it is already clear, will not attempt to raise the minimum of $10 or $12 billion we need. It will attempt to impose identical percentage increases in personal taxes all the way up and down the income scale, with inadequate regard for the ability of low-income receivers to pay. Corporations apparently will not be asked to increase their tax payments by enough to reduce their after-taxes profits below record-breaking levels. There is no indication that numerous loopholes in the new excess-profits taxes as well as in the older taxes will be closed.

On the credit front, action was taken to require larger

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

down payments on new housing sales, and on major household appliances and automobiles. These actions have been criticized on the grounds that they favored the wealthy to whom larger down or cash payments presented no difficulty. More important was the failure to limit effectively the issuance of bank credit to non-essential business borrowers. Such curtailment is still dependent on voluntary action by the banks. Lastly, for many months excessive credit was pumped into the economic system because "policy" required the Federal Reserve Board to support government bonds on the market at par, thus enabling the nation's banks to dispose of their government securities at will and obtain additional reserves in cash to support still further credit expansion. Only recently has this situation taken a turn for the better.

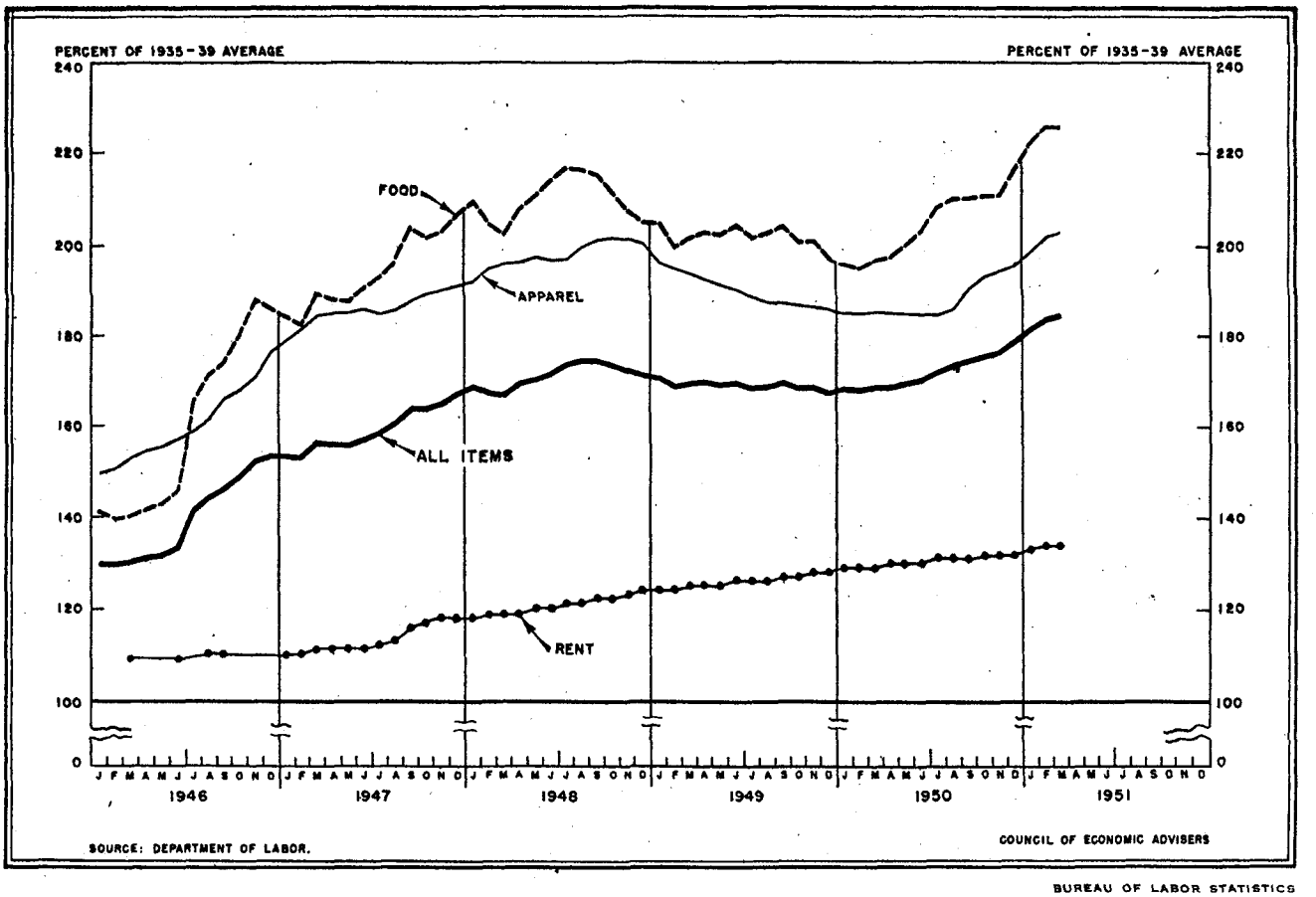
Today, almost a year after the outbreak of the crisis, we still lack a large-scale personal-savings program that will take 15 or 20 billion "extra" dollars a year out of circulation. Sales of E-bonds are just about matched by redemptions. The reason the Treasury has not yet attempted to launch a vast new savings drive is clear. So long as the future course of prices is uncertain, such a program cannot be fully successful. Not until we have taken appropriate and adequate action on all other important anti-inflationary measures can such a savings drive be launched with reasonable prospects of success.

Our belated, inadequate and somewhat inequitable actions with respect to indirect controls have not contributed as effectively as they should have to the anti-inflation fight to date. They have failed to reduce purchasing power sufficiently in relation to available supply. They have failed to achieve a full equality of sacrifice in terms of the ability of the main economic groups to carry the load.

2. Seldom has a measure been passed by Congress the deficiencies of which were so accurately analyzed and forecast by its critics. Every weakness, every loophole, every inequity to which critics of the Defense Production Act pointed at the time the Act was passed has been verified by harsh experience since that time. The critics of the Act were not supermen; they were just fair-minded people who had learned the obvious lessons from our similar experiences in World War II.

Title IV (the price-control section of the Act) foolishly required that as soon as price control was imposed on any commodity, wage control would also have to be invoked. The net result of this concession to business interests was to deter any real attempt at selective price controls. If, let us say, it had been desired to place price

CONSUMERS' PRICES



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

controls on steel, wage controls on steel workers would also have been required. But the wages of steel workers just could not be controlled while the wages of other workers were rising, and while the prices steel workers had to pay for food and clothing were also rising. Hence this impractical provision in the law virtually precluded the imposition of price controls in selected areas of the economy, and made the question one of "all or nothing" price controls. As a result, valuable months slipped by while timid administrators hoped against hope and "watched developments"—and prices skyrocketed.

Had it been possible to use selective price controls, whenever desirable, these could have been imposed early last fall at the basic industry level, the products of which are the raw materials for the fabricating and processing industries. Production in the basic industries is predominantly by business, which presents few problems of enforcement and compliance with regulations. Price control in this field could have preceded the development of a large price-control staff, and retarded price advances which later occurred throughout the American economy.

Equally important was the provision written into the Act at the instance of agricultural interests to protect farm prices from control. Specifically, no farm price was to be controlled at a price less than parity, or the highest price received by producers during the month to June 24, 1950 (or an earlier alternate period, if that one proved unfavorable). Since most farm prices were below parity, this made it virtually impossible to control most farm prices not only then, but later on as well. For parity is not a price, but a *ratio* of farm prices to other prices. Rising farm prices became rising costs to other products, forcing higher prices for those products, which again, because of the changed ratio, forced higher the parity price. Such a process could go on almost indefinitely. This provision made the task of effective price control almost impossible.

Other important provisions of the Act exempted rents from price control; prohibited the regulation of speculation on the commodity exchanges; prohibited the control of rates or fees charged for professional services; and prohibited the price authorities from requiring grade labeling or the standardization of goods or services. The penalties provided for violations of the Act were also weak.

Not only did these deficiencies in the Act make effective price control almost impossible—by making it impossible to stabilize the cost of living they also made effective wage stabilization a great deal more difficult.

3. The glaring deficiencies in the law naturally made it extremely difficult to find a competent man who would accept the thankless job of director of Price Administration. It was almost three months before the job could be filled. Meanwhile, Dr. Valentine, director of the Economic Stabilization Administration, did nothing to build even a skeleton organization and staff in preparation for the price controls which were inevitably on the way. His failure to act reflected a basic antagonism to the very concept of price control and caused the loss of invaluable time in erecting the necessary economic defenses.

Once DiSalle tackled the price-control job and started to build an organization, Valentine demurred at his proposal to put a temporary freeze on prices, maintaining that a built-up organization and staff had to be developed first. This opposition was shortly followed by the voluntary price-maintenance appeal of December 19, and by Valentine's ouster not long thereafter. A great deal of damage, however, had already been done by these delaying tactics. The first line of defense against inflation had been lost by default.

4. When the general price freeze was finally instituted January 26, 1951, the long-hoped-for rollback of prices simply did not occur. Instead, prices were frozen at the very highest levels they had reached during the period December 19-January 25.

It would have been, of course, too much to expect that prices would be rolled back in January to pre-Korean levels. Rolling prices back all the way after any considerable period of rising prices is exceedingly difficult, because so many businessmen have goods in process, on their shelves or in their warehouses, which were purchased during the rise. To affirm that rollbacks covering a considerable period of time are extremely difficult, however, is not to concede that they are impossible. For example, it would be theoretically possible to require a price rollback over something more than a short period of time and require simultaneously that supplies bought by businessmen during that period at costs higher than before would also be rolled back retroactively. Such a requirement would have the effect of rolling back prices and therefore costs all the way down the economic ladder to primary producers or suppliers. Granted, however, that such an attempt would have been extremely involved, there can be little explanation or excuse for the failure of the OPS in January to roll back prices to the levels which prevailed on December 1, 1950. This would have been not only a practical measure; it was one to which the stabilization authorities were explicitly and morally committed.

When the Economic Stabilization Administration appealed to American businessmen on December 19 voluntarily to hold the price line as of December 1, the official announcement clearly stated that the agency

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"served notice upon all sellers affected by the standards that any official price action hereafter taken will make use of a base period ending not later than December 1, 1950, and that no seller will derive any advantage under the regulations from price increases after that date. Prices of certain basic materials which were increased during the period between June 24 and December 1, 1950, will be subject to reduction, in accordance with these standards, where that is necessary to make possible the maintenance of December 1 price levels in the latter stages of manufacture."

The statement of December 19 constituted a firm assurance and warning to all businessmen that price controls, when instituted, would permit no increase after December 1, 1950. In fact, the statement went further. It said that in many cases price rollbacks to levels *lower* than those prevailing on December 1 would be required where necessary to protect the December 1 ceiling prices of other manufacturers dependent on them as cost elements in their business. The action of the OPS in freezing prices on January 26 at the highest levels which prevailed between December 19 and January 25 constituted, therefore, a flat violation of the unequivocal pledge made a little more than a month previously. It was not only a violation of a pledge made to American consumers; it was a violation also of a pledge made to America's businessmen, a great many of whom complied faithfully with the request for voluntary price maintenance while their competitors did not, and thus found themselves placed in a disadvantageous competitive position.

In this connection it may be noted that when the OPS issued its general maximum price regulation in May, 1942, it rolled back prices to the levels which had prevailed in March two months earlier.

Since the Consumers' Price Index is calculated in the mid-point of each month, it is not easy to determine exactly how much average consumer prices increased from December 1 to January 26, and thus measure exactly what was involved in the failure to roll back prices to December 1 levels. It would appear that the approximate difference involved was some five or six points, or something over three percent, on the Consumers' Price Index. This three-plus percent meant not less than six or seven billion dollars to American consumers.

5. Under pressure by the vigorous action and statements of the United Labor Policy Committee, and harried by increasing public irritation at the new profit records which American industry was setting quarter after quarter in the face of price controls, Economic Stabilizer Eric Johnston issued a directive to OPS Director DiSalle in the latter part of April establishing a new longer-range basic price-control policy. What this directive said in effect was that the level of price ceilings established for an industry would normally be considered "generally fair and equitable" under the Defense Production Act, so long as the industry concerned was earning excess profits as defined by the federal-income-tax laws. Any industry, therefore, which applied for price adjustments or "relief" on the grounds of increased costs would be required to absorb those cost increases without price "relief" so long as it was earning excess profits.

This directive seemed on the face of it fair and practical, and gave promise of making a substantial contribution toward holding the price line. Unfortunately, the directive also stipulated that the profit criterion was not to be applied until *after* the OPS had completed action on the then-pending round of interim price regulations. Thus, for example, the new basic policy, although announced over the weekend of April 21, did not apply to the general manufacturers' price regulations (CPR 22) issued April 25 or to the machinery order (CPR 30) issued May 4. These regulations permit manufacturers to adjust their ceiling prices in terms of materials and factory labor-cost increases from the base period (April 1-June 24, 1950) up to March 15, 1951, *irrespective of the profit position of those companies.* In other words, not until businessmen have recomputed their permitted price increases under the new interim regulations will the Johnston profit directive even begin to apply.

Obviously, if the excess-profits criterion had been made applicable immediately, it would have made a substantial contribution toward stopping further price increases.

How good a job has DiSalle done? Looking back, one is startled to recall that Michael DiSalle took on the job as director of the OPS as late as November 30, and that his delegation of authority came as late as January 3. All in all, it must be considered that he has done remarkably well in the short time he has been on the job. He acted swiftly to put a temporary general freeze on prices, and has worked energetically since to amend the general freeze with regulations better adapted to the widely disparate situations in the various sectors of the economy. He has managed to both operate and build an organization and staff at the same time—an exceedingly difficult accomplishment. And he has evidenced throughout a great deal of sincerity, courage, good humor and hard common sense, as well as a very considerable energy.

Obviously, the job which DiSalle and the OPS have done is as far from perfect as it is from being complete. Nor have all the weaknesses in the job done thus far been due to factors beyond the agency's control—as in the case of the limitations and weaknesses in the law it

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

must administer. There is, for example, the failure to roll back prices to December 1 levels, although there are reports that DiSalle favored this action, and was overruled. The decision to permit retailers and wholesalers to retain the same percentage mark-ups, instead of restricting them to the old dollar-and-cents mark-ups, when their goods were increased in cost, is properly open to criticism. It may be charged, too, that the OPS has not placed sufficient emphasis on the need to arrive at dollars-and-cents ceiling prices which the consumer could recognize and help enforce. Neither has DiSalle been particularly outspoken with respect to needed changes in the law itself.

There are, however, circumstances which can be cited in mitigation of these criticisms. Neither do these criticisms outweight the commendable aspects of DiSalle's over-all job. The stand he has taken and the courage he has displayed in bucking the highly vocal and politically powerful cotton and livestock interests with dollars-and-cents ceiling prices merits the fullest support. That support is badly needed—now.

What do we need to do now? In order to strengthen and extend price control, President Truman has called upon Congress to:

Extend the Act for two years until June 30, 1952;

Authorize effective control over rents, both residential and commercial;

Permit the parity price for farm commodities to be set at the beginning of each marketing season and maintained during that season;

Permit the use of differential subsidies to obtain essential production from high-cost sources of supply without increasing ceiling prices;

Provide for controls over credit on existing houses;

Permit the regulation of speculative trading on the commodity exchanges; and

Provide stronger means to enforce price controls.

All these measures, with the exception of the parity-price recommendation, merit full support. The parity-price proposal does not go far enough. Further increases in farm and food prices at the retail level must be stopped. Congress should authorize the President to freeze farm prices at present levels and pay compensatory subsidies to farmers in those cases where prices below parity would result in a less than fair income to the farmers involved.

The situation, moreover, requires further price-control actions which the President has not requested of Congress. During the last war, price control was seriously weakened by quality deterioration and by the disappearance from the market of low-priced items in many lines. These loopholes are still present in the current law. To prevent such a situation from developing again, the law should be amended to permit the OPS to require the maintenance of quality standards and the continued production in adequate quantity of low-price lines.

To supplement this program of direct price controls, we need from Congress the early passage of a stiff yet fair tax measure based on ability to pay; we need from the Federal Reserve Board more effective and more equitable credit controls, particularly in the field of bank credit; we need from the Treasury a real program for vastly increased personal savings; and we need from the Defense Production Administration a more rational and orderly channeling of our productive resources.

If we give the necessary support to such a program, and if we support the efforts of the OPS and Director DiSalle to do a real job of price control, we can win the fight against inflation in the months that lie ahead.

A JOURNEY THROUGH KOREA

by "Ysobong"

The following account by a South Korean official was written to be passed through official censorship. It must be read between the lines as an indictment of the Rhee regime which was recently criticized for its brutality by unanimous vote of the National Assembly of the Republic of Korea.

THE ROAD BACK to Taegu from Pusan—Syngman Rhee's capital-in-exile—was dusty the morning that I started north in an old military jeep, but at least it wasn't crowded. In that respect it was a great improvement over the three months before when I had made my way south from freshly liberated Seoul. Then the highway had been jammed. Now there was only military traffic and comparatively little of that.

There were few pedestrians also; the Korean Martial Law Headquarters had prohibited civilian use of former public highways in South Korea since "it might prevent the smooth flowing of United Nations military traffic." I felt more than a little guilty as I jolted northward, because I knew the no-pedestrian rule inflicted great hardship on the luckless traveler who has no transportation. It frequently takes him 20 days over mountain paths to complete a journey that should take two.

About halfway to Taegu, our jeep driver had to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

swerve sharply to avoid running over a man lying stretched out across the dirt road. He was about 36 and appeared wealthy by our present standards. He wore Western clothing with a blue necktie, the whole badly mussed and soiled from lying in the road. He was a wretched piece of humanity, fully alive but with spirit and energy completely wrung from his being. He watched resignedly as we approached, then started to talk slowly in a low voice, as if he had some claim against me.

"I am not a Communist . . . " he began. "I am a rightist, a patriot. I am an evacuee from Seoul," he added. "I came to Pusan on an open truck two days before the capital fell to the Communists the second time.

"I had hoped I might rent a room or get a job." He laughed bitterly at the memory of his optimism. "Now I am trying desperately to go back to the country where my aunt and her husband cultivate a small piece of land. There, at least, I can be relieved of the fear of starvation. Why do the military police keep me from taking this road to Taegu? What other road is available for unarmed men like me? Please give me a ride, please! Or just run over my body and end it all. I don't mind."

Although it was contrary to military rules, we made room for the stranger in our jeep. He rode silently most of the day, then left us near his aunt's farm. In my mind, his plight was typical of Korea's middle class, caught between a viciously oppressive government and the devastation of war.

Kochang County used to be lovely, peaceful country, lying between pine-studded hills and the renowned Naktong River, along the lower reaches of which the United Nations forces eventually stopped the North Korean troops last summer. On the surface, the countryside of Kochang is still lovely and quiet—ominously so. The land seems to be sitting, waiting for death. Few farmers are working in the fields, and young men are noticeably absent from the whole area.

As we approached Kochang, teen-age boys and girls were playing "chegi," and youngsters were running along the road. Almost without exception, when my jeep drove up, they stopped playing and raised their hands crying "mansei" ("long live!" or "10,000 years!") or "komap supnida" ("thanks"). I heard them shout the same words at a small group of Korean military men behind our jeep. No particular joy was apparent in their faces. Last summer, I remembered, children in Red-occupied areas farther north had been taught by their parents to shout "mansei" to every passing Red soldier.

A month before my visit, the Kochang area had been the scene of a particularly brutal massacre by South Korean troops, who accused the village of Shin-Um of harboring Communist guerrillas. The trouble started on the evening of March 6 when the Reds attacked Shin-Um for the fourth time. Since the village had been occupied three times before by Communist guerrillas, the South Korean Army concluded that the villagers supported Communism and supplied the partisans with food. The army said that when the loyal troops re-entered the village, they discovered "the villagers cooking food for the Communist partisans. Some were singing loudly the song of the North Korean Communist Republic!" According to the National Assembly, the retaliation against the villagers was "merciless and indiscriminate." South Korean troops shot anyone who resisted arrest.

Under pressure of the National Assembly and public indignation, President Rhee eventually ousted three cabinet members—the powerful Home Minister, Chough Pyong Ok, who controls the nation's police force, Defense Minister Shin Sung Mo, his right-hand man, and Justice Minister Kim Joon Yun—on the curious grounds that the publication of the Kochang massacre report damaged the prestige of the government.

Some 1,400 tenant farmers had lived in Shin-Um village before the incident. At the time of my visit not a villager remained, and about half of the straw-and-mud houses had been razed during the long months of fighting. After the massacre, the villagers had scattered in all directions and no one knew, or cared, where they had gone. Any houses left standing were occupied by the South Korean troops and police, all without any formal requisition.

Kochang police estimated that the Communist guerrillas in the area numbered 500, well armed and equipped. In addition, there seemed to be a number of civilian guerrillas, "poor in both arms and training." No one could say how they had been able to obtain food through the winter. Police admitted to me that most of these partisans were Kochang natives who had joined the Reds as the result of hardships and Communist agitation.

In the shifting scenes of war the villagers live in terror of both sides. They complain that when Communists invade a man's house at night, his wife is in no position to refuse to cook some rice for them. Yet she may well be executed by the loyal army or police the next morning as a supporter of the Red guerrillas if she is found out. Neither can she refuse food to the South Korean soldiers. And usually neither side pays anything for what it gets from the farmer.

Sometimes the loyalists persuade the farmer that they deserve free meals "for protecting the villagers from the Red partisans." One farmer explained to me sadly: "I wouldn't mind giving my crops to either side—except for enough to support my family—if it would assure my security from attack by the other. But it never does."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

HAROLD L. ICKES: *Should Acheson Resign?*

ABOUT A YEAR AGO, *The Progressive*, in an open letter to Secretary Dean Acheson, said: "It would be a serious mistake if you felt that the discrediting of the Wisconsin Senator [McCarthy] meant the country was united behind your present program of 'total diplomacy'—a program which rejects peace . . . proposals [such] as Senator Tydings' for universal disarmament, the McMahon Plan, or Senator Humphrey's for a top-level conference to clear the way for detailed negotiations for peace." And an editorial in *The Nation* of May 12, 1950, urged that "Our policy in Asia has in truth been unsure, vacillating and lacking in courage. Republican pressure forced a reversal [and, more recently, a later one] of our proclaimed stand on Formosa; it prevented early recognition of the Peking Government; it set us at odds with the independent nations in the UN."

The campaign that has been carried on since the involuntary return from Japan of those great military vocalists, Gen. Douglas MacArthur and his press agent, Maj. Gen. Courtney Whitney, has renewed the people's awareness of their Secretary of State. Mr. Acheson has been a highly controversial figure since he became Secretary of State. Whether or not he has done the creditable job that his friends and even many who regard him objectively ascribe to him, it is proper to suggest that, as an unquestionably patriotic citizen, he should appraise his possible value to his country as against the widespread doubts of that value. Undoubtedly, there are men who agree with what was said in the Washington *Post* on April 28 that: "The blunt fact is that the most important post in Mr. Truman's Administration is filled by a man who does not enjoy general or Congressional confidence. This, in view of the foreign business about to be put up to Congress, in view of the rival leadership that MacArthur is unmasking, is a serious matter to the Administration and to the country alike. It stems, of course, from Mr. Acheson's public expressions about Alger Hiss. . . . Since then, whether because of the criticism he then invited or not, Secretary Acheson has seemed to be striving to appease the most vociferous of his critics, i.e., the most reactionary of MacArthur elements in the Republican Party."

It cannot be denied that Secretary Acheson "does not enjoy general or Congressional confidence." I will go further and affirm that, on the basis of knowledge that I possess, he does not "enjoy the confidence" of many who are prominent colleagues of his in the Administration, to say nothing of Democratic political leaders throughout the country. A strange anomaly in the case of McCarthy, *et al.*, vs. Acheson is that the Republican plaintiffs should continue, both fairly and unfairly, to harass and demand the removal of an official for whose place the President could not possibly find a successor, try as he might, who would go so far as Acheson has gone to appease clamant and unreasonable Republicans by yielding to their suicidal demands on foreign policy.

Mr. Acheson has ability and character. None can doubt his patriotism. No one questions his loyalty to his Commander-in-Chief. He is not a MacArthur. One difficulty is that when he has incubated a foreign policy, he either does not tell the people what it is, or he does so only after the unedifying McCarrans and McCarthys have needled him into an improvisation. He fights on the defensive when occasion demands boldness in attack.

The people want peace, and, unfortunately, Acheson seems to believe that war is inevitable and that, therefore, the waging of peace, either by himself or the President, would be fruitless. Instead of peace, he has proposed a policy of itinerant "containment." His troubles have mounted since, when McCarthy made his vicious and slanderous attack upon him and his Department, he did not have the intestinal fortitude to hit back, again and again, meeting blow with blow. The people do not enjoy the spectacle of a high official allowing himself to be made a punching-bag for a political guttersnipe. It is regrettable that so many people believe that Secretary Acheson lacks fighting qualities, but that this is so is not their fault; it is his.

The situation is an unfortunate one. Since the President, apparently, will not ask him to resign, if Mr. Acheson is truly patriotic, which means that he loves his country to the degree that he is willing to sacrifice himself for it, he will take and maintain the initiative. The longer the delay, the greater and more irreparable the damage to his country. President Truman might be reluctant to accept his resignation, but even he could not force his Secretary of State to continue in his post after the people, whether justifiably or not, have come so to suspect his motives and question his acts that they no longer have faith in him. A man of Mr. Acheson's intelligence should realize that to cling to his office, even if his accusers have shaken the faith of the people in him by charges that are pure slander, is not the course of true loyalty to his party, his President or his country.

It is no longer a question of saving face; it is one of saving all that may still be saved of the well-being, the prestige and the honor of America. HAROLD L. ICKES

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BOOKS IN REVIEW

STUDIES IN THE POLITICS OF THE FAR EAST

PEKING PERSPECTIVES

by Benjamin Schwartz

THERE HAS probably never been a political movement less amenable to cool analysis than Chinese Communism. At one point or another it touches the passions of all of us. Those whose attention is fixed on the horrors of Soviet despotism find it difficult to concede that the successes of the Chinese Communists may have been due to their own sagacious strategy or to admit that the Communists have been accepted by large segments of the Chinese population. On the other hand, many of those whose main interest has been China, and who have seen the shift from the demoralization of the Kuomintang in decay to the positive atmosphere surrounding the Communist assumption of power, have tended to treat the horrors of Soviet despotism as unimportant trifles when confronted with the grandeurs of "revolution in Asia"— or even worse, to view Soviet realities through the officially rose-tinted lenses of Peking.

NEW CHINA: THREE VIEWS, by Otto B. Van Der Sprenkel, Robert Guillain and Michael Lindsay (John Day; $3).

Under these circumstances it may well be that all we can expect is an *approach* to a balanced judgment—an effort on the part of the observer to control his own special convictions and to see matters as a whole. Taken together, the three accounts which make up *New China* constitute such an approach. The first essay, by Otto B. Van Der Sprenkel, Sinologist and visiting professor at Nankai University, describes the "take-over" period of 1948-49. Robert Guillain, a correspondent of *Le Monde*, describes roughly the same period as viewed from Shanghai. Michael Lindsay, a British economist who knew the Chinese Communists intimately during the Yenan period, returned to China in 1949. He records his impressions of this trip.

All three accounts contain vivid reporting of a high order; all three confirm the universal revulsion against the Kuomintang, the favorable impression created by the Communist armies, the incorruptibility and comparative efficiency of the new regime and the enthusiastic acceptance of the regime by the intelligentsia. All three tend to deny the assumption that relations between Peking and Moscow have yet become as tight-knit as those prevailing in Eastern Europe.

Aside from these common views, there are some marked differences among the three accounts. In the reviewer's opinion (perhaps influenced by his own passions), Van Der Sprenkel's account, while most interesting and highly detailed, is also the least judicious. He seems to have identified himself so completely with the exhilarating atmosphere of the change-over that he fails to see the totalitarian actualities and dangers of which Guillain and Lindsay are aware. One can hardly blame a young Chinese student for being caught up in the mood of his time and place. One can, however, blame the Westerner who has behind him the tragic and sobering experiences of recent European history for failing to preserve a degree of caution and sobriety; for failing to realize that a period of revolutionary effervescence is probably the poorest time for distinguishing between a passing mood and what is part of a new heaven and a new earth. Which is the more likely to have significance for the future—the spartan, frugal "idealism" of the new ruling group or the fact that all effective power is concentrated in its hands? Guillain, while less closely acquainted with China than Van Der Sprenkel, gives us a much more balanced account of the Communist occupation of Shanghai. He sees all that the former sees but also manages to detect evidences of

(*Continued on page 20*)

THE BODY OF KOREA

by Nathaniel Peffer

THE POOR KOREANS! Theirs is the terrible fate of being small, weak and situated in a place of high strategical value to surrounding great powers. This is not their first liberation; it is only their worst.

Struggles between great powers over the body of Korea have occurred periodically ever since the West first broke its way through to the East. It is not new either that China should be one of the parties to the struggle or that Russia should be another. Indeed, it is useful to recall that in its history China has not only been the victim of aggression but at times aggressor, too. What is unprecedented is that the United States should be one of the parties.

KOREAN-AMERICAN RELATIONS: DOCUMENTS PERTAINING TO THE FAR EASTERN DIPLOMACY OF THE UNITED STATES. Edited by George M. McCune and John A. Harrison (University of California Press; $2.50).

Hitherto, the United States has been "involved" in Korea only in what was once its traditional role everywhere in the East: that of impartial spectator, seeking to make sure that there be no successful contender for exclusive supremacy. For the prize of victory would be Korea itself and then the United States would be excluded therefrom even as impartial spectator and, still worse, as provider of goods in trade—as in China.

In short, Korea has been a stake in diplomatic conflict before and America has been engaged in the conflict, though at one remove. The volume under review is the first of a trilogy that will give the story of the formative period of the conflict, the years between 1883, shortly after Korea was "opened," and 1905, when the first phase closed with

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the Russo-Japanese war and Japan's victory. From that year to 1945 Korea was under Japan's heel. Emancipation from Japan seems only to have introduced a new phase of conflict to determine under whose heel Korea should come next. Again, poor Korea!

In the years 1883-1886 covered by this volume one sees clearly the operation of the old classical imperialism—"advisers," concessions, support to one internal faction or another, first muddying the water and then fishing in it, then open intervention and at last extinction. The methods may have changed, but have the objects changed, or the result for the various Koreas of the world?

The authors tell their story in the form of selections from diplomatic documents. These are skillfully chosen and there is, too, an introduction which gives the setting concisely and judiciously.

Nathaniel Peffer, professor of International Relations at Columbia University, is the author, among other books, of "Must We Fight in Asia?"

(Continued from page 19)

totalitarianism on every hand. Nor has he allowed an animus against Secretary Acheson to drive him into single-minded optimism about the Soviet Union's ultimate intentions in China.

Lindsay, who has known the Chinese Communists and their leaders most intimately in the past and who is acutely aware of their positive accomplishments, has nevertheless managed to observe the sinister potentialities of the new order. The reviewer, however, finds his theoretical distinction between "a scientific and doctrinaire interpretation of Communist principles" not too tenable. It is doubtful that Mao Tse-tung's respect for recalcitrant facts has been any greater than that of Stalin or Lenin before him. The fact that Stalin has chosen to meet facts with brute force does not make him the less "scientific." Furthermore, it would be unsafe to assume that because the Communists in China have paid close attention to the facts of public opinion in the course of their rise to power they will continue to do so when they have at their disposal all the power of a highly organized state. So long as the Chinese Communists adhere to certain basic assumptions of Marxism-Leninism (not the least of which is the theory of Communist Party organization) any hope for a move toward political democracy is forlorn.

It must once more be emphasized, however, that as a report on the state of Communist China during the period following upon the assumption of power—the period before Korea—this little volume is a most valuable contribution.

Benjamin Schwartz, assistant professor of History at Harvard University and a member of Harvard's Russian Research Center, is the author of "Chinese Communism and the Rise of Mao," to be published this fall.

RUSES AND PERFECTIONS

NEUROSIS AND HUMAN GROWTH, by Karen Horney (Norton; $3.75).

KAREN HORNEY's recent volume is an uneven work, illustrating both her acute skill in formulating the defensive strategies of neurotic personalities and her limitations as psychological theorist.

Certainly her most significant contribution to psychoanalysis has been her description of some of the defenses against anxiety and insecurity employed in neurosis. Not that her basic themes are original. When Dr. Horney writes that for the neurotic personality "nothing short of godlike perfection can fulfill his idealized image of himself and satisfy his pride," she is restating an argument that Adler, Freud and Stekel presented long ago. Thus Adler commented that "a neurotic wishes to have everything," Freud described the urge toward narcissistic perfectability in some cases, and Stekel referred to the neurotic as a person who valuates himself as "an apostle" and as "God's anointed." But if Horney's real talent is not evident in thematic material, it is conspicuous in her development of the subject. Better than any other writer in psychoanalysis, she has succeeded in capturing in words and in concrete detail the ruses, maneuvers, confusions, conflicts, aspirations and defeats of the neurotic mind. Few readers will fail to identify some aspect of their own behavior in her skillful clinical dissection of neurosis.

But the reader will also be struck by considerable repetitiousness of presentation and, worse, by a tendency to depreciate the neurotic, to view him essentially as an artful manipulator devoted to power goals and to neglect what Ferenczi saw in neurosis: a person who "hungers for tenderness." Whereas in her earlier writings, Horney defined neurosis as a conflict between opposing defensive strategies, she now has adopted a theme which Fromm introduced into psychoanalysis, namely that a neurosis represents a struggle between a pathological system of behavior pattern and "the real self." Like Fromm, Horney is of the opinion that a drive toward self-realization is immanent in man, that this self-realization is expressed by the need for truth, productivity and love, and that it will be achieved spontaneously unless the "psychic growth" of the child is impaired by improper handling. But unlike Fromm, she correlates neurotic strivings toward perfection only vaguely with prevailing competitive values, and indeed the whole theme of the impact of culture upon personality, to which she gave considered attention in her first book, now receives scant notice.

As Horney turns increasingly toward an emphasis upon the notion of a "real self," the real world in which the neurotic lives seems to diminish in significance. In confining her conception of neurosis to the conflicts between the "real self" and neurotic strategies, she does not even mention the process of identification. No mention is made of the fact that children mimic parental modes of behavior or that the attributes of the "real self' must originate within a cultural milieu and be determined by given inter-personal experiences.

Horney's theoretical confusion reaches a climax when she makes light of the premise that neurosis is a disturbance in human relations. In her eagerness to demonstrate the intra-psychic conflicts of the neurotic, she forgets her own axiom that the original disturbance which provokes the neurotic to seek power goals is a disturbed human relationship in childhood, and that manifestly the power instrumentalities employed by the neurotic are the ways in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

which a sick individual attempts to relate to other human beings.

But the most serious indictment of Horney's theoretical position is that no more than a paragraph is devoted to the psychology of the child and that such major problems in psychoanalysis as anxiety, symbolism, dream interpretation and value systems are only mentioned tangentially. Nor does she even raise the specific questions of what type of relatedness and adaptation can be achieved by individuals in this critical moment in history. MEYER H. MASKIN

Meyer H. Maskin is a Fellow of the William A. White Institute of Psychiatry and Assistant Clinical Professor of Psychiatry at New York University.

SARTRE AT HIS BEST

TROUBLED SLEEP, by Jean-Paul Sartre. Translated from the French by Gerard Hopkins (Knopf; $3.50).

TROUBLED SLEEP, the third novel of his tetralogy, finds Sartre at his very best. All the high qualities he demonstrated previously are now intensified because the period and subject—the fall of France—offer a more significant and tragic background for his dynamic writing. It is not the least of Sartre's feats that he leaves the reader breathless for the concluding volume.

The Age of Reason (1947) presented a kaleidoscope of France before World War II. It established the foundations of the whole work, introduced most of the recurrent major characters, set the pattern and the swift pace for what was to follow. The multifarious scenes defied a strict analysis of plot. However, baldly stated, the story concerned a professor, Mathieu, who sought to borrow and who finally stole the money needed to procure an abortion for his mistress. Mathieu, who might well be Sartre himself, is the center of a changing world, filled with numerous characters from all walks of life and of all species of morality. Three factors, subsequently broadened and deepened, make Sartre's performance compelling. His work illustrates a philosophy of life (existentialism), for from the start each character seeks his individual way to freedom. Second, the characters express every shade of French public opinion. Third, these characters, mostly authentic but sometimes verisimilar, leave a persistent curiosity in the reader's mind.

The Reprieve (1947) described a few days in September, 1938, when the pall of anxiety descended upon a nation about to be outstepped, outrun and outstayed. Over all the characters in the book floated a more direly haunting and terrible spectre: fear.

Troubled Sleep brings matters to a head. Previous figures return to be seen now in the light or darkness of the débâcle. As ever, the scenes are heterogeneous: New York, Paris, Marseille, the area back of the French lines, this area suddenly transformed into the front, and, finally, the France across which men traveled on their way to prison camps in Germany. The characters continue true-to-life. To cite but a few, we are shown Gomez, the Spanish Loyalist colonel, now in New York and eating out his heart at the indifference of Americans and French to the world situation; his abandoned mistress, Sarah, fleeing down the roads of France; Boris, wounded, joining the Resistance; Ivich, Boris' sister, now married, turning against France; Lola, Boris' mistress, forced to give him up; Daniel, combining homosexuality with collaboration. . . . Always, however, Mathieu dominates the scene. Whereas each of the others seeks his own salvation from the pressure of a fate he may or may not understand, Mathieu's quest continues to be abstract rather than immediate. Yet we feel that, faced with the cataclysm of 1940, even the Olympian Mathieu-Sartre is about to blend his philosophical abstractions into something very close to concrete patriotism.

The virtues of Sartre are superbly exemplified in *Troubled Sleep*. He deals with world problems from a seriously taken philosophical viewpoint. He is a historian and a topnotch reporter; he is a psychologist who can pink a man or woman in a few deft phrases; he is a born story-teller; he is a poet-dramatist whose settings and dialogue are fiercely graphic.

It has been frequently objected that Sartre inclines toward the sordid and perverted. *Troubled Sleep* should lay that ghost because, though racy and randy, it supplies powerful and deftly combined instances of heroism, both physical and moral. The fragmentary nature of Sartre's novels has also been assailed, but they are so only superficially; his tapestry is at once panoramic and minuscule. It takes time to tie up loose or suspended threads on so huge a loom. The extraordinary range of his characters, especially the soldiers, and the authenticity of their words and actions, produce not only a document but a thrilling piece of fiction.

It is a matter for congratulation that no colloquialisms—let alone four-letter words—are spared. British translators are perforce chary on this score; but Gerard Hopkins pulls no punches. But it is regrettable that the French title, *La Mort dans l'Ame*, was weakened into *Troubled Sleep*. Whoever thought that one up merits insomnia.

JACQUES LE CLERCQ

Jacques Le Clercq, associate professor of French Literature at Queens College, has translated more than thirty volumes from the French, including "Rabelais" (1936) and Calet's "Young Man of Paris" (1950).

THE BEST-LAID PLANS

THE PRODIGAL CENTURY and VERSUS: REFLECTIONS OF A SOCIOLOGIST, by Henry Pratt Fairchild (Philosophical Library; $3.75 each).

THESE TWO small volumes by Henry Pratt Fairchild, until his retirement chairman of the Sociology Department of New York University's Graduate School, are invigorating antidotes for those who have been depressed by the recent spate of superficial books which presume to tell us how to right what is wrong with our civilization.

The Prodigal Century is a succinct and intelligent analysis of modern history and the root problems of our time. The nineteenth, according to Fairchild, was the prodigal century. Thanks to the new machines and the opening up of new lands in both hemispheres, the Golden Age had dawned. Scarcity was on the verge of being banished, in the industrialized nations at least, for the first time since man's advent on the planet. Abundance for all was at last possible.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Underlying the prodigality of the nineteenth century, however, were conditions—not much noticed until later—which were destined to rob mankind of the incalculable benefits of the technological revolution and the bounteous fruits of the new lands. First and foremost, population proceeded to multiply at a furious pace. Between 1800 and 1950 the world's population jumped from 800 million to 2.85 billion. Second, man used his new machines not to husband the earth's resources but to squander the soils, forests and minerals in an orgy of ruthlessness.

The result was that the golden age became a mirage. The prodigal century produced a good life for the few but hard work, bleak poverty and economic oppression for the many. The United States was a prime example of these trends, which continued into the twentieth century with little abatement.

Population continues to press upon the world's resources, and competition for land and minerals has bred two world wars and may produce a third. But our entire inheritance has not yet been squandered. There is still enough natural wealth to provide an abundant and happy future for mankind if it will abandon the doctrines, philosophies and economic practices taken over from the nineteenth century—specifically, if reckless use of land and its resources gives way to conservation, if a brake is placed on population growth, if "we emancipate ourselves from the childlike, unreflective faith in science," and if capitalism can be supplanted by a system which Fairchild calls "public ownership." Plenty, peace, freedom are within our grasp.

Versus is a collection of essays published in various magazines over the last thirty years. They deal with such subjects as Profits vs. Prosperity, Population vs. Peace, Machines vs. Men, Statistics vs. Common Sense, etc., and throw interesting sidelights on America's social and economic fabric.

ANTHONY NETBOY

Anthony Netboy is co-author, with Bernard Frank, of "Water, Land and People," published last year by Alfred A. Knopf.

ART SCHOOL

WALLOOMSAC SUMMER SCHOOL OF ART. Classes through July and August. Write: George Holt, North Bennington, Vermont.

BOOKS

ATHEIST BOOKS, 32-page catalogue free. Truth Seeker Co., 38 Park Row, N. Y. C. 8.

MAGAZINES

NON-ATHEIST MAGAZINES, Protestant, help homes improve, **MY CHUM** children's magazine $2, sample 10c, same prices for **THE CHRISTIAN PARENT,** Box N, Highland, Illinois.

FOR SALE

"Living for Fun" Large homesite lot, riparian rights suitable for pier and yacht, near Canaveral Harbor Inlet. Title Insurable, Price Twelve Hundred Dollars, Terms. Donald F. Leyda, Registered Broker, Merritt Island, Flo.

HANDWRITING ANALYSIS

SCIENTIFIC HANDWRITING analysis, Alfred Kanfer, 62 Leroy St., N. Y. C. Tel. WA 4-1575. Cooperating with doctors, psychologists, schools, firms, industries. Lessons. By appointment, or mail. Marital, educational, vocational, psychological problems. Fee $5.00.

LITERARY SERVICES

WRITERS—Efficient sales service for your books, short stories, articles, plays. **Free booklet.** Write today! **Daniel S. Mead Literary Agency,** 419 4th Ave., New York 16, N. Y.

SITUATION WANTED

DANCE DIRECTOR with extensive background and experience in folk and square dancing for summer camp or resort. Box 30. Tel.: Great Neck 2-0805.

RESEARCH SERVICE

INFORMATION pertaining to over 4,000 national trade, professional, and other types of non-profit organizations and associations in the United States. State field, etc., you are interested in. **RESEARCH,** P. O. Box 1326, Lexington, Ky.

ON THE AIR

The Old Queen

IF YOU LISTENED to "Queen for a Day" when Jack Bailey brought his Hollywood-originated Mutual show into New York recently, you got a vivid demonstration of the level at which radio today is considered "successful." "Queen" is a big show: five days a week, Monday through Friday. For the past six years, Bailey has been choosing a woman to be showered with an assortment of lingerie and toiletries "donated" by a group of benevolent manufacturers. I tuned in on the New York appearance, wondering whether he women in the big town would react lifferently from their sisters across the country. I found that the "girls"—the youngest admitted to being married sixteen years—were effusive enough for commercial purposes. They howled with anticipation when Bailey asked them if they would like to be "Queen for a Day." They darn near smashed my tubes when he asked them to name the sponsor. Old Gold came through handsomely, if you measure by decibels.

I tried to count Bailey's commercials, but my abacus couldn't quite make it. Each of the day's five aspirants to majesty received a "treasure chest" of cigarettes and thereupon chanted their virtues. There were OG mentions, OG gags and full-dress OG pitches. Then Bailey and some assistants rattled off the list of gifts accumulated for the winner. There was a year's supply of bras and girdles, camisoles, hats, coats, stockings, handbags and bathing suits. The brand name was spoken for each piece of merchandise. That, friends, is radio.

And how does TV fare? FCC Commissioner Frieda Hennock warned recently that, if some broadcasters had their way, television would repeat radio's pattern by "adding sight and making it that much more unsightly." However, there have been some very encouraging developments recently in connection with the educational-television campaign which she has been championing inside the FCC. The New York State Board of Regents has announced plans for a statewide TV network, and a similar project has been started on a metropolitan basis in Philadelphia. I know of at least four other large, regional groups that are planning to get into educational television. All of the applicants for educational-TV licenses will need public support. In most instances, state legislators will be asked for appropriations. That's when the commercial boys will put in their licks—in committee rooms—just as they did three or four years ago when they killed California's statewide FM network planned by educators. If you'd like to frustrate such tricks in the future, write to Miss Hennock, at the FCC (Washington 25), and ask her how you can help develop educational TV in your state.

One thing you could do, immediately, would be to buy the ABC network. Edward J. Noble, chairman of ABC's board and holder of stock control, has just issued another statement to the effect that he isn't interested in selling.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

There are grounds for believing that the protests are much too loud, and too frequent. Noble bought ABC (NBC's old "Blue" network) back in 1942 for $8 million; the latest price I heard offered for the network was $26 million. CBS was interested in the television stations owned by ABC; some Paramount people were hot about the whole shebang—radio and TV; a couple of Mutual's leading lights are eyeing the radio properties (Mutual is the only radio hookup not engaged in television on a network basis). There was a rumor that Colonel McCormick had his arrow pointed at ABC's heart. I suspect that, sooner or later, Noble will get his price.

To take the taste out of my ears after spending a half-hour in the morning listening to the "Queen," I tuned in that Monday night to see what had happened to the "Somerset Maugham Theatre" since it moved from CBS-TV to a full hour on NBC-TV (9:30 to 10:30). I'm sorry to report that the sample I saw, "The Facts of Life," didn't amount to much. The production was excellent—as I expected from the fact that Mitchell Grayson, one of broadcasting's best control-room directors, was at the helm. But the Maugham anecdote wasn't worth 60 minutes or the talents of a man like Grayson.

SAUL CARSON

THEATRE

Guys and Dolls

AFTER a profitable summer and fall run in West Forty-eighth Street, the comedy-thriller, "Stalag 17," will be taken to Hollywood and turned into a pleasant, low-budget picture. It is the kind of entertainment which—on stage or screen—is better done in America than anywhere else. There is no depth to it, but the surface is a miracle of theatre craft. "Stalag 17" is written, directed and played with a perfect ear and sense of timing, an instinct for the outward evidence of American personalities that is exact to the nicest detail of accent and gesture. Its ambitions are modest but its workmanship is exceedingly canny; quite properly it takes the audience into camp.

The co-authors, Donald Bevan and Edmund Trzcinski, were in such a POW stockade in Germany as they describe; their melodramatic, raffish heightening of this experience has been staged by José Ferrer with a large and busy cast that he nevertheless controls with crisp discipline. He might, however, have a word one of these days with Robert Strauss and Harvey Lembeck; they are superb clowns and they carry the show, but they have taken to snapping at flies a little early in the run. The serious aspect of the play (who is the spy in the *Stalag?*) is carried to a high tension by John Ericson, Laurence Hugo, Frank Maxwell and Lothar Rewalt. The background GIs have little to do dramatically, but they contribute a sense of furious speed to the action. "Stalag 17" gets you nowhere but it gives you a wonderful night out—not a bad thing for the theatre to do.

The revival of Elmer Rice's "Dream Girl" was apparently a great success in the New York City Theatre Company's production. I doubt that it will do much for the lasting reputation of the Maurice Evans repertory; I'm sure it will do nothing for Judy Holliday.

If this play seemed fresh when it was first presented six years ago, it has wilted astonishingly in the interval. Its tale of a female Walter Mitty, a less-sophisticated lady in the dark, now seems labored, obvious and wretchedly unfunny. That would not matter, of course, if Miss Holliday were in top form, but she seems unable to get a grasp on the part. She made the mistake, I think, of trying to get away, but not far enough away, from "Born Yesterday"; if she had never played Billie Dawn she might have thrown herself into "Dream Girl." As it is, Miss Holliday seemed baffled and annoyed by a milksop girl whom Billie would have scuttled with a flick of her stole.

ROBERT HATCH

Harold Clurman is in Europe.

PRINTED BY NATIONAL PUBLISHING CO., 301 N ST., N.E., WASHINGTON 2, D. C.

RESORTS

on SCHROON LAKE
Opens May 25th
Special 5 Day
DECORATION DAY WEEKEND
Incl. Round Trip Transportation $57.50
LEAH OKUN, Dir.—City Phones: MAin 4-8570-1230

MERRIEWOODE
A CAMP FOR ADULTS
HIGHLAND LAKE • STODDARD, N. H.
Where Interesting People Meet for the Perfect Vacation Enjoy beautiful 10-mile lake. All Land and Water Sports. Interesting hiking objectives thru woodland trails. Arts & Crafts, Square and Folk Dancing Instruction. 4 hrs. by train from N.Y.
$50 for Opening Week June 23-30
OLIVE "HATTIE" BARON, Director
Write Dept. R for Literature • Tel.: Hancock 98, Ring 13

OPENING MAY 25th
All Sports • Entertainment
Arts & Crafts • TV Room
Easy to Reach! Send for Vacation Guide
Chesters' ZUNBARG
Woodbourne, N. Y. • Phone: Woodbourne 1150

WINDY HILL
ON ORANGE LAKE
A pleasantly, informal vacation in friendly atmosphere. Books, Records, Ping-pong, a two-mile lake for boating, fishing, swimming. Food of excellent quality in generous quantity.
Opens May 11 Pre-Season $45 weekly, $7 daily
65 Miles From N. Y. C.
JANE C. ARENZ, R.D. No. 1, Walden, N. Y.
Phone: Newburgh 115 W 2

Timberland
POTTERSVILLE, N. Y.
AN ADULT CAMP IN THE ADIRONDACKS
SPECIAL SPRING RATES NOW!
LIMITED TO 100 DANCING AND ALL SPORTS
New York Office: 33 W. 42nd St. LO 5-3674
The Rare Charm of an Intimate Congenial Group

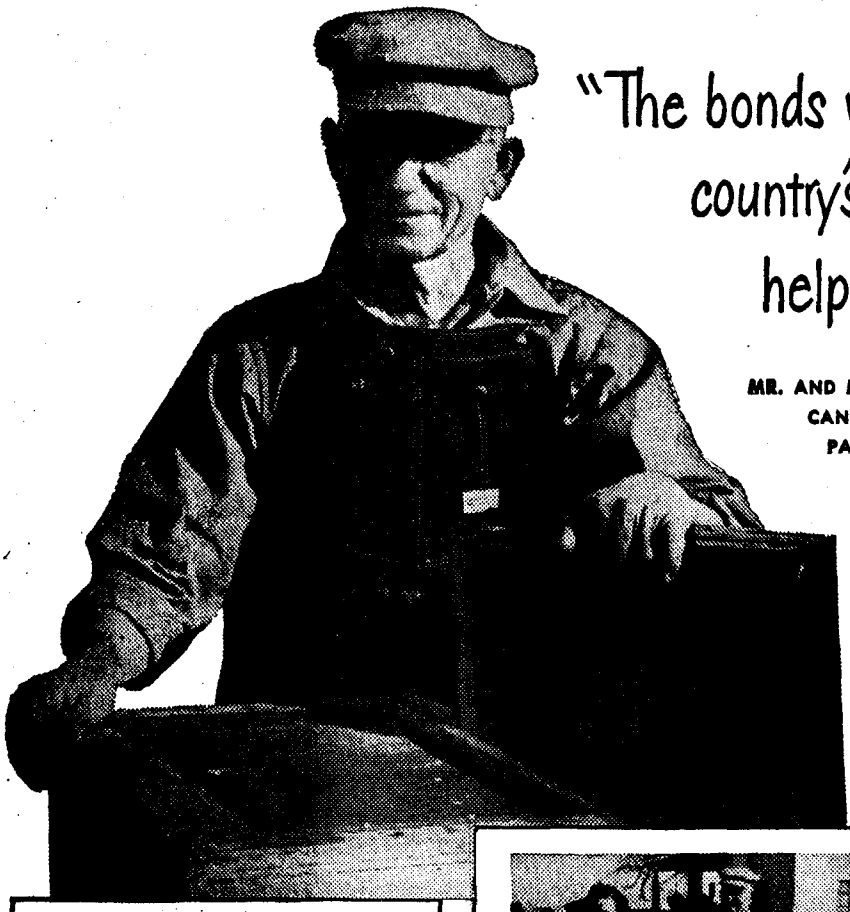
Stonegate LODGE
ON LONG LAKE, N. Y.
Informal Adult Estate in the Adirondacks
Limited to 90—14-mile Lake—Pollen-Free
Tennis • Fishing • Golf • Motor Boating
Folk-Square Dances • Concert Trio
Dance Band • Bachelor Club Rate $60-$65
N. Y. Off.: 250 West 57th St. CIrcle 6-6386
Reduced Rates to July 10—Louis A. Roth, Dir.

RESORT RATES
$6.75 Per Column Inch for 26 Insertions
7.50 Per Column Inch for 13 Insertions
8.25 Per Column Inch for 6 Insertions
8.75 Per Column Inch (One-Time Rate)
Advertising Department
The New Republic, 40 E. 49th St., N. Y.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"The bonds we bought for our country's defense bought and helped equip our farm!"

MR. AND MRS. CHARLEY L. WHATLEY OF CUTHBERT, GA. CAN TELL YOU—IT'S PRACTICAL AS WELL AS PATRIOTIC TO BUY BONDS FOR DEFENSE



Mr. Whatley inspects a beehive on his 202-acre farm. "I wouldn't own a farm, clear, today," he says, "if it weren't for U. S. Savings Bonds. We bought a new truck, refrigerator and electric range, too. I've discovered that bonds are the best way of saving for a working man."

Mr. Whatley says, "My wife and I **bought our first bonds** in 1943, **through the Payroll Savings Plan** at **the Martha Mills plant** of the B. F. **Goodrich Co.** in Thomaston. Our **pay averaged $40 a week** apiece and **we put about a quarter** of that **amount into U. S. Savings Bonds."**

"We'd saved $6,925 by 1950. $4,000 bought us our 202-acre farm and a 6-room house. Then we bought a new truck, a refrigerator and electric range. Now Mrs. Whatley has time for tending her flowers while I can enjoy my hobby of bee-keeping. We owe it all to *planned* saving."

"We're still holding bonds, too. We don't believe that anyone should cash his bonds unless he has to, so we're holding about $1,800 worth. With that cash reserve, and our farm clear, we can grow old with comfort and peace of mind. Everybody should buy U. S. Savings Bonds!"

The Whatleys' story can be your story, too!

You can make your dream come true, too—just as the Whatleys did. It's easy! Just start *now* with these three simple steps:

1. Make one big decision—to put saving *first*, before you even draw your pay.

2. Decide to save a regular amount *systematically*, week after week or month after month. Even small sums saved on a systematic basis, become a large sum in an amazingly short time!

3. Start saving automatically by signing up *today* in the Payroll Savings Plan where you work or the Bond-A-Month Plan where you bank. You may save as little as $1.25 a week or as much as $375 a month. If you can set aside just $7.50 weekly, in 10 years you'll have bonds and interest worth $4,329.02 cash!

You'll be providing security not only for yourself and your family but for the free way of life that's so important to us all. And in far less time than you think, you'll have turned your dreams into reality, just as the Whatleys did.

U. S. SAVINGS BONDS ARE DEFENSE BONDS
—BUY THEM REGULARLY!

Your government does not pay for this advertisement. It is donated by this publication in cooperation with the Advertising Council and the Magazine Publishers of America as a public service.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED